

INSURANCE POLICY REPLACEMENT INFORMATION

Fidelity Life Association expects producers to only recommend replacements that are appropriate to customers and confirm that any transaction that involves either an internal (same insurer) or external (another insurer) replacement of an existing policy is appropriate. Fidelity Life Association requires all producers with whom it is contracted to comply fully with their individual state's replacement laws and complete all required replacement forms.

Under the National Association of Insurance Commissioners Life Insurance and Annuities Replacement Model Regulation enacted in a number of states, in connection with the sale of a life insurance or annuity policy, "replacement" includes policies that are:

1. Lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing insurer or otherwise terminated;
2. Converted to reduced paid-up insurance, continued as extended term life insurance or otherwise reduced in value by the use of nonforfeiture benefits or other policy values;
3. Amended so as to effect a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid;
4. Reissued with any reduction in cash value; or
5. Used in a financed purchase. Financed purchase means the purchase of a new policy involving the actual or intended use of funds obtained by the withdrawal or surrender of, or by borrowing from, values of an existing policy to pay all or part of any premium due on the new policy.

Replacement does not include:

1. Exercise of a contractual change or a conversion privilege with an existing insurer;
2. Proposed life insurance that is to replace life insurance under a binding or conditional receipt issued by the same insurer; or
3. Supplanting life insurance that is non-convertible term life insurance that will expire in five (5) years or less and cannot be renewed.

Appropriate replacements are those replacements that are considered in the best interest of the customer. Possible reasons for an appropriate replacement may include improved death benefit, lower charges for the customer or new policy features.

Inappropriate replacements are those replacements that are not considered in the best interest of a customer. A policy that has been in existence for a period of time may have certain advantages over a new policy. Possible advantages for keeping an existing policy may include lower premiums based on initial policy issue age or policy features that may be better under the old policy.

Submission to Fidelity Life Association by a producer of an application that is a proposed replacement will be deemed to constitute a certification by that producer that the proposed replacement is appropriate.

A producer must submit with an application that is a proposed replacement a copy of any preprinted or electronically presented insurer-approved sales materials used and copies of any individualized sales materials. Lack of submission of such materials with an application that is a proposed replacement will be deemed to constitute a certification by that producer that no such sales materials were used in connection with the application.

If you have any questions or need more information about replacements at Fidelity Life Association, please contact our Corporate Counsel by calling our toll-free telephone number at (877) 704-6279.

PRODUCER USE ONLY. PLEASE DO NOT SUBMIT THIS INSURANCE POLICY REPLACEMENT INFORMATION FORM TO FIDELITY LIFE ASSOCIATION.