



NOTICE TO APPLICANT REGARDING MINNESOTA REPLACEMENT

DEFINITION: REPLACEMENT is any transaction where, in connection with the purchase of New Insurance or a New Annuity, you LAPSE, SURRENDER, CONVERT to Paid-up Insurance, Place on Extended Term, or BORROW all or part of the policy loan values on an existing insurance policy or an annuity. (See reverse for DEFINITIONS.)

IF YOU INTEND TO REPLACE COVERAGE: In connection with the purchase of this insurance or annuity, if you have REPLACED or intend to REPLACE your present life insurance coverage or annuity(ies), you should be certain that you understand all the relevant factors involved.

You should BE AWARE that you may be required to provide Evidence of Insurability and:

- 1) If your HEALTH condition has CHANGED since the application was taken on your present policies, you may be required to pay ADDITIONAL PREMIUMS under the NEW POLICY, or be DENIED coverage.
- 2) Your present occupation or activities may not be covered or could require additional premiums.
- 3) The INCONTESTABLE and SUICIDE CLAUSE will begin anew in a new policy. This could RESULT in a CLAIM under the new policy BEING DENIED that would otherwise have been paid.
- 4) Current law DOES NOT REQUIRE your present insurer(s) to REFUND any premiums.
- 5) It may be to your advantage to OBTAIN INFORMATION regarding your existing policies from the insurer or agent from whom you purchased the policy.

(If an annuity is being purchased, Items 1, 2 and 3 above would not apply to the new contract.)

THE INSURANCE OR ANNUITY(IES) I INTEND TO PURCHASE FROM SONS OF NORWAY MAY REPLACE OR ALTER EXISTING LIFE INSURANCE OR ANNUITY POLICY(IES).

The following policy(ies) may be replaced as a result of this transaction:

INSURER <u>AS IT APPEARS ON THE POLICY</u>	INSURED <u>AS IT APPEARS ON THE POLICY</u>	POLICY NUMBER
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The proposed policy is:

_____ \$ _____
Type of policy – (generic name) *Face amount*

Signature of Applicant *Date*

_____ City _____
Address of Applicant *State/Zip*

I certify that this form was completed and given to:

(Applicant please print or type.)

prior to taking an application and that I am leaving a signed copy for the applicant.

_____ FBC's Number _____
Financial Benefits Counselor's signature *Date*

_____ City _____
Address *State/Zip*

DEFINITIONS

BORROW POLICY LOAN VALUES:	If your life insurance policy has a cash surrender value, you can almost always borrow all or part of it from the insurer. Interest will be charged according to the terms of the policy, and if the loan with unpaid interest ever exceeds the cash surrender value, your policy will be surrendered. If you die, the amount of the loan and any unpaid interest due will be subtracted from the death benefits.
CASH SURRENDER VALUE:	This is the amount of money that you can get in cash if you surrender your life insurance policy or annuity. If there is a policy loan, the cash surrender value is the difference between the cash value printed in the policy and the loan value. Not all policies have cash surrender values.
CONVERT TO PAID-UP INSURANCE:	This means you use your cash surrender value to change your insurance to a paid-up policy with the same insurer. The death benefit generally will be lower than under the old policy, but you won't have to pay any more premiums.
EVIDENCE OF INSURABILITY:	This means proof that you are an acceptable risk. You have to meet the insurer's standards regarding age, health, occupation, etc., to be eligible for coverage.
INCONTESTABLE CLAIMS:	This says that after one or two years (depending on the policy or insurer) the life insurer will not resist a claim because you made a false or incomplete statement when you applied for the policy. For the early years, though, if there are wrong answers on the application and the insurer finds out about them, it can deny a claim as if the policy had never existed.
LAPSE:	A life insurance policy may lapse when you don't pay the premiums within the grace period. If you had a cash surrender value, the insurer might change your policy to as much extended term insurance or paid-up insurance as the cash surrender value will buy. Sometimes the policy lets the insurer borrow from the cash surrender value to pay the premiums.
PLACE ON EXTENDED TERM:	This means you use your cash surrender value to change your insurance to a paid-up policy with the same insurer. In this case, the net death benefit will be the same as before. However, you will only be covered for a specified period of time stated in the policy.
PREMIUMS:	Premiums are the payments you make in exchange for an insurance or annuity contract. They are unlike deposits in a savings or investment program because if you drop the policy, you might get back less than you paid in.
SUICIDE CLAUSE:	This says that if you commit suicide after being insured for less than one or two years (depending on the policy and insurer), your beneficiaries will receive only a refund of the premiums that were paid.
SURRENDER	You surrender a life insurance policy when you either let it lapse or tell the company you want to drop it. Whenever a policy has a cash surrender value, you can get it in cash if you return the policy to the company with a written request. Most insurers will also let you exchange the cash value of the policy for paid-up or extended term insurance.



SALES LITERATURE CERTIFICATION FORM

Regarding: _____
Applicant Name

I certify that I used only the following insurer approved sales materials. (Check all that apply) Copies of all sales materials used were left with the applicant.

Illustration Brochure Financial Plan Other _____

Financial Benefits Counselor's Signature

Date

Printed Name