



FIELD COMPLIANCE ALERT

DATE: March 11, 2015

STATES COVERED: All

BSOs: All

TO: All BSMs, Agents and BOAs

CC: TVPs, TODs, Territory Compliance Specialists and TOAs

SUBJECT: Important Application Rules

Insurance applications are legal documents. Therefore it is very important that agents take the time to complete them correctly. Please review the following reminders:

- If the splitting agent is not present when the applicant signs the application, the splitting agents name and number should NOT be shown on the application. Instead, a split commission form must be completed. **This rule is for both paper and eApp applications.** The splitting agent must be present when the app is taken in order to show his name on the application.
- A copy of the completed application will be inserted with the policy documents when the policy is issued. To avoid customer confusion or surprise, agents should allow the applicant to view the application questions as they are answered during application completion. Agents should also show applicants the completed signature on the app. When using eApp agents should turn their device towards the applicant so they can see the screen. When it is time to sign the eApp, agents should explain that the applicant's signature is legal even though the application was eSigned.
- Agents may never sign another person's name on an application. Even if the person gives their permission to sign their name agents cannot sign another person's name. To do so could be considered forgery.
- Agents may not complete eApps unless the applicants and/or insureds are present. Only the applicant and/or insured can eSign the application. Agents may not complete a paper application in the presence of a client and later enter the information into eApp and eSign for the client. Also, agents may not take an eApp over the phone. This could be considered fraud because the client didn't eSign the app, the agent did.
- When completing an annuity application, agents should give the client a copy of the questionnaire they completed. If eApp was used, the copy of the questionnaire will be provided with the other "Leave Behind Information".
- In many states it is illegal to tape conversations without the consent of the individuals being taped. Agents may not record conversations without prior approval of the client's even if the purpose is to make sure the agent captured the client's application answers correctly.
- When using the eApp program agents should use the two part eApp Confirmation Form #158961. The agents and the clients should sign the form. (Copy attached to this alert.) The agents should give one copy of the signed form to the client and the other copy should go to the BOA.

Questions about this bulletin can be directed to ComplianceUpdate@banklife.com.

Electronic Insurance Application Confirmation

I have applied for one of the following policies:

- Whole Life Universal Life Term Life Annuity
 Medicare Supplement Critical Benefit Short Term Care Long Term Care Home Health Care

Initial Premium Payment (Choose one):

- I have chosen to pay my first (initial) premium for this policy using Bankers Life Premium Service Plan/Electronic Funds Transfer (PPSP/EFT).
 I have given Bankers Life a check in the amount of \$_____ to pay my first month's premium for this policy.

Ongoing Premiums Mode of Premium (Choose one):

- Single Premium Monthly Premium/PPSP Quarterly Premium/Direct Bill
 Semi Annually/Direct Bill Annual Premium/Direct Bill

My application was signed using my electronic signature.

Applicant Name

Applicant Signature Date

Agent Signature Agent Number Date

✓ **Consumer notes** about Bankers Life Premium Service Plan/Electronic Funds Transfer (PPSP/EFT):

- Your account may be **drafted** as quickly as the **next day** after your application is submitted to Bankers Life.
- The **draft date** you selected for future/ongoing premium payments is **not taken into account** for the first draft. Future drafts will go out on the day of the month you requested.
- In the event your insurance policy is issued differently than what was originally applied for, the initial draft will still occur at that time. However, future drafts will be suspended until the additional application information is received. Once information is received, more than one draft may occur at this time.
 - Depending on how long this process takes, **more than one draft** may go out within a short timeframe to bring the policy current.

Leave one copy with the applicant and return one copy to your Branch Sales Office

Bankers Life is the marketing brand of Bankers Life and Casualty Company, select policies sold by Colonial Penn Life Insurance Company and select policies sold in New York by Bankers Consec Life Insurance Company (BCLIC). BCLIC is authorized to sell insurance in New York. Administrative office: Chicago, Illinois.