

Rapid Decision Term Agent Guide



August 31, 2006

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Fidelity Life Association
1211 West 22nd Street, Suite 209
Oak Brook, IL 60523

Rapid Decision Term – Decisions in hours, not weeks.

WHAT IS RD-TERM?

As the name implies, Rapid Decision Term is designed to provide you with very quick turn around time on your routine term life cases. **RD-Term is not a simplified issue or “easy” issue product.** It is competitively priced and fully underwritten on a non-medical basis (a full application but no paramedical examination or blood or urine samples). Fidelity Life’s industry leading innovation finally allows your customers to promptly complete their purchase and allows your placement ratio and timely commission payments to meet your business objectives.

Since routine ordering of traditional evidence, such as examinations, blood/urine samples and physician’s reports, is not part of the RD-Term process, cases which require these kinds of information will be declined*. To avoid this, it is important that you pre-qualify your clients.

Does your client qualify for RD-Term? Answer these simple questions to find out.

1. My client is a US citizen or has permanent resident status (a green card).
2. My client has a valid driver’s license and a clean driving record.
3. My client lives and works in the United States.
4. My client has seen a doctor within the past 5 years.
5. My client is not disabled or receiving disability benefits.
6. My client has not been rated or denied coverage by another life company.
7. My client has no medical history which would require an APS or Blood/Urine samples.

We do not medical offer ratings on RD-Term*. If your client has a medical or other condition which would require a rating RD-Term is not available. The following is a list of some of the more common conditions which would or would not accept.

Would Not Accept

- **cancer**
- **diabetes**
- **heart attack**
- **heart bypass/angioplasty**
- **sleep apnea**
- **stroke/TIA**

Would Accept

- **anxiety** (single med, no disability)
- **asthma** (no steroids, no ER visits)
- **depression** (single med, no disability)
- **hypertension** (controlled)
- **cholesterol** (on medication)

* Occupation and Avocation ratings to \$3.00 per \$1,000 are offered. For clients aged 56 and above, medical ratings of up to table 4 may be offered.

We check

Every RD-Term case is fully underwritten on a non-medical basis. Our process includes the use of data bureau information so the process is very fast (seconds). At minimum we check the information on the application against the MIB, Pharmacy, MVR and SSN data bureaus. If there is an inconsistency the case may not be approved.

Need to Talk to Us?

Just call our Home Office underwriting group at **866.947.8739** (also see the detailed contact list at the end of this guide). Or, you can email us at und@fla-life.com. We’ll be happy to discuss your case or deal with any questions you might have.

RD TERM

RD Term is level death benefit term life insurance renewable to age 95. It offers guaranteed level premium periods of 5, 10, 15, 20 and 30 years. After the level premium period, rates increase each year through age 94.

Issue Ages

<u>AGE LAST BIRTHDAY</u>	<u>Minimum</u>	<u>Maximum</u>
16 to 45	\$50,000	\$300,000
46 to 55	\$50,000	\$200,000
56 to 65	\$25,000	\$100,000
66 to 75	\$10,000	\$ 25,000

Rate Bands (subject to minimums and maximums shown above)

Band 1 **\$10,000 to \$99,999**

5 year term	50 to 65
10 year term	16 to 65
15 year term	16 to 65
20 year term	16 to 65
30 year term	16 to 50

Band 2 **\$100,000 to \$300,000**

5 year term	50 to 65
10 year term	16 to 65
15 year term	16 to 65
20 year term	16 to 65
30 year term	16 to 50

NOTE: Although available at age 16, individual state regulations regarding the ability to contract for life insurance must be followed.

Premium Classes

1. Select Non-Nicotine
2. Standard Non-Nicotine
3. Standard Nicotine

Policy Fee (commissionable) \$85.00

Convertibility: Convertible during the first 10 policy years or age 65, whichever comes first.

RD-TERM RIDERS

Waiver of Premium Rider

Issue ages 20 to 55. There is a 6 month (retroactive) waiting period for the rider. The rate for WP is 0.21951 times the total annual premium for the policy (including the policy fee and other riders). For example, if the total annual premium was \$500.00 then the cost of WP would be $500 \times .21951 = \$107.55$. The new total annual premium would be \$607.55.

Dependent Child Rider

Available where the primary insured is aged 19 to 60. Issued to children aged 15 days to 18 years. The cost is \$8.00 per year per \$1,000 (\$5,000 to \$25,000 available). Coverage expires when the child reaches age 23, when the primary insured reaches age 65 or when the policy terminates, whichever comes first.

Dependent Child Underwriting: Dependent Child coverage is only available to children who are standard risks. No substandard coverage is available under this rider.

Accelerated Death Benefit Rider

Beginning in policy year 3, the rider provides for an advance payment of up to 50% of the death benefit if the Insured has a life expectancy of 12 months or less. Death Benefits are reduced by the advance plus interest. There is no additional charge for this rider.

This benefit is not available in all states.

Accidental Death Benefit:	Issue Ages	20 – 60
	Issue Limit	\$300,000 (cannot exceed base policy)

The ADB rider has a Travel Benefit feature which provides an additional benefit of 1 times the ADB amount (to a maximum of \$300,000) for accidental death while a fare paying passenger in a public conveyance such as an airplane, bus or taxi.

ADB Premiums per \$1,000	Ages 20 to 40	\$1.20
	Ages 41 to 50	\$1.10
	Ages 51 to 60	\$1.00

NOTE:

Not all riders are available in all States. Check the web site for details (www.fidelitylife.com)

BASIC UNDERWRITING CRITERIA

1. Interviews

a. Up to age 55:

Underwriting interviews will be completed on an as needed basis. If all other information is satisfactory the case may be approved (or denied) as is. We always reserve the right to interview any applicant.

b. Age 56 and above:

Every applicant will be subject to an interview by the underwriter.

2. Data Bureau Checks

In **all** cases MIB, Pharmacy, MVR and SSN information will be checked. Any inconsistency in the information will result in an interview, additional investigation or denial.

3. Additional Evidence

We reserve the right to order, at our expense, evidence of insurability which we feel is necessary for the prudent evaluation of the risk.

4. Citizen or Permanent Resident

The Proposed Insured (PI) must be a US citizen or must hold permanent resident status (green card) and must reside in the United States.

5. Occupation / Avocation Extra's

We will add occupation and avocation extra's up to \$3.00 per \$1,000. All cases subject to a flat extra will be subject to an interview and full documentation will be obtained. Where the flat extra will exceed \$3.00 per \$1,000, the case will be denied.

6. Unemployed / Retired

With the exception of homemakers and students aged 25 or less, any unemployed or "retired" applicant is subject to an interview. If an unemployed adult is to be considered for RD-Term, a full explanation must be documented in the file.

7. No Driver's License

Applicants who do not have a valid driver's license and whose situation does not provide a clear and reasonable explanation for not having a valid driver's license will be subject to an interview and may be denied.

8. Who may be Interviewed

All interviews are conducted with the Proposed Insured and documented. No other person, including family members, friends, translators or guardians, may answer questions on behalf of the Proposed Insured.

ADDITIONAL UNDERWRITING RULES

1. No Physician

Applicants aged 56 to 65 who have not seen a primary care physician within the past 5 years will be declined due to, “the absence of health care appropriate to age”. Employment physicals, Department of Transport (DOT) and other qualification examinations are not counted as health care.

2. APS – Ages 16 to 55

If the medical history requires an APS the case will be denied due to, “your medical history of {insert specifics here} which will require copies of your complete medical records from Dr. {insert name}, which your physician must provide at no expense to Fidelity Life. If these are submitted within the next 21 days we will be happy to review them to see if further consideration is possible.”

3. APS – Ages 56 and up

We will order (and pay for) up to one APS if the underwriter has a reasonable expectation that the APS will allow the case to be approved. Otherwise the case will be denied.

4. Extra Premiums

a. Ages 16 to 55

No additional premiums are allowed (except for occupation and avocation extra's). Where an extra premium is needed the case will be denied.

b. Ages 56 to 65

Subject to a satisfactory APS ratings of up to table 4 or \$5.00 per \$1,000 (not both) may be allowed.

5. MIB or Pharmacy Hits

If an MIB or Pharmacy record would cause us to need a follow up investigation (e.g. a condition denied by the applicant) we will refund the premium with an off risk (denial) letter with an offer to review once the applicant has resolved the inconsistency.

6. GDB Alternative

If the case is denied for RD-Term, the underwriter will determine if a GDB product is available. If so, the message denying RD-Term will include a comment such as, “Declined due to history of diabetes and hypertension. Eligible for GDB term or GDB whole life.”

If the agent advises us to issue the GDB policy we will do so with an appropriate amendment on delivery. GDB products are fully retained by Fidelity Life. No new application is needed but an amendment will need to be signed on delivery.

RD TERM PREMIUM CLASS CRITERIA

	Select	Standard
Non-Nicotine Rates	None in 24+ Months	None in 12+ Months
Nicotine Rates	Not available	Any use in the last 12 months
Cholesterol	Single medication	Two or more meds
Blood Pressure	Single medication	Two or more meds
Family History	Up to one death of cancer or heart disease prior to 60.	More than one death from cancer or heart disease prior to 60.
Moving violations	Not more than 3 in last 3 years*	Not more than 3 in last 3 years*
DUI	None in past 5 years.	None in past 3 years.
US Residency	Must have permanent resident status.	Must have permanent resident status.
Hazardous Occ/Avo	None in the past 2 years and none planned.	None in the past 2 years and none planned.
Travel**	None	None

* Provided that no extra premium is needed due to driving record.

** Underdeveloped, unstable or hazardous areas.

Height and Weight Limits

Height	Inches	Minimum BMI 17.0	Select BMI 32.9	Standard BMI 35.9
4' 9	57	79	152	166
4' 10	58	81	157	172
4' 11	59	84	163	178
5' 0	60	87	168	184
5' 1	61	90	174	190
5' 2	62	93	180	196
5' 3	63	96	186	203
5' 4	64	99	192	209
5' 5	65	102	198	216
5' 6	66	105	204	222
5' 7	67	108	210	229
5' 8	68	119	216	236
5' 9	69	115	223	243
5' 10	70	118	229	250
5' 11	71	122	236	257
6' 0	72	125	243	265
6' 1	73	129	249	272
6' 2	74	132	256	280
6' 3	75	136	263	287
6' 4	76	140	270	294
6' 5	77	143	277	303
6' 6	78	147	285	311
6' 7	79	151	292	319
6' 8	80	155	300	327

BMI = (weight in pounds/(height in inches²))*703

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Decision Chart - RD-Term – Application F1030

Question	If Yes
Name of Primary Physician and date last seen.	If age over 55 and no physician has been seen within the past 5 years, the case will be denied.
Have you lost weight in the past year?	Depends on total weight lost and reason for the loss. Minor weight loss is OK, major weight loss would be IC.
1. Are you currently taking any medication (by prescription or over the counter) or receiving medical or mental health treatment of any kind?	IC depending on medications.
2. Has any natural parent or sibling been diagnosed with or died of cancer or heart disease prior to the age of 60?	Up to one death, Select Rates More than one death, Standard rates.
Have you, within the past 10 years, been treated by a physician for or been diagnosed as having:	
3a. chest pain	D
myocardial infarction (heart attack)	D
blockage or narrowing of the arteries	D
Irregular heart beat (arrhythmia)	D
hypertension (high blood pressure)	OK
Stroke	D
transient ischemic attack (TIA)	D
thrombosis	D
aneurysm	D
any other disorder of the heart or blood vessels?	IC usually D
3b. diabetes	D
hyperthyroid	D
internal cancer or tumor	D
lymphoma	D
melanoma	D
leukemia	D
hepatitis	IC usually D
other liver disease	D
pancreatitis	D
kidney disease	IC
urinary tract disorder	IC
disorder of the breast?	IC
3c. Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC)?	D
3d. sleep apnea	D
cystic fibrosis	D
asthma	IC
emphysema	D
other treatment for breathing or lung disorders?	IC
3e. memory loss or dysfunction	D
seizures	D
psychological (emotional) disorders	IC
learning disorders?	D

D = Decline

IC = Individual Consideration – Review by underwriter

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3f. multiple sclerosis rheumatoid arthritis Paralysis cerebral palsy connective tissue disorders (lupus or scleroderma)?	D D D D D
4. Have you, within the past 5 years:	
4a. been a patient in any hospital Clinic dependency program halfway house other medical facility?	IC IC D D IC
4b. used controlled substances such as cocaine, heroin, amphetamines, barbiturates or hallucinogens?	D
4c. been treated by or been advised by a physician to seek treatment for drug or alcohol use?	D
4d. been advised to have any test (except HIV tests), treatment, surgery or hospitalization which has yet to be completed?	IC For surgery or hospitalization, D
4e. had an application for life or health insurance rated up, postponed, declined or denied reinstatement?	D – unless the answer is “rated up” and they are referring to Preferred to Standard and not to tables, flat extras or exclusions.
5. Have you, within the past 24 months, used any form of tobacco or nicotine product, including cigarettes, cigars, pipes, chewing tobacco, snuff, nicotine patches or nicotine gum?	None in 24+ months = Select None in 12+ months = Standard Non-Nicotine Use within 12 months = Standard Nicotine
6. Have you, within the past 3 years, engaged in or do you plan to engage in:	
6a. any aviation activity other than as a fare-paying passenger on commercial airlines?	If the aviation extra exceeds \$3.00/m case is denied. (see aviation rules)
6b. organized motor racing scuba diving hang-gliding cave exploration Parachuting mountain, rock or ice climbing rodeo bungee jumping ballooning	If the avocation extra exceeds \$3.00/m the case is denied. (see avocation rules)
7. Have you, within the past 3 years, been convicted of: driving while under the influence of alcohol or drugs had a driver’s license suspended or revoked?	DUI = D Suspension = IC
8. Do you intend to travel, live or work outside the United States or Canada?	If vacation resorts or low risk countries OK otherwise D. (see travel rules)
9. Are you currently on probation or have you, within the past 5 years, been convicted of a felony?	D

D = Decline

IC = Individual Consideration – Review by underwriter

* If over age 55, an APS is an option. In which case the case should be referred to underwriting for consideration.

NOTE: COMBINATIONS OF IMPAIRMENTS MAY RESULT IN AN ADVERSE DECISION NOT INDICATED IN THIS CHART.

TELE-UNDERWRITING PHONE PROCEDURES

For any number of reasons we may need to make contact with the client. It is very important that the agent make sure that the telephone number given on the application is the best one to use.

- Unless the agent has specified a particular date and time all clients will be called within 4 business hours from the time that they appear in the Underwriting Queue.
- Whenever a call is made, whether successful or not, a note will be added to the case. The note does not need to be extensive. For example, if we left a message for a call back, the note might be: *Lft msg 4 pi 2 cl bck.* (Left message for Proposed Insured to call back).
- If we left a message for a call back, we will wait 24 hours before we try again. We will do this a total of 3 times but will vary the time of day that we call as we do not know the work schedule of the proposed insureds (PI's).
- If there is no answering machine or no one is home, we will call every day, again, varying the time of day that we call.
- If we are unable to contact the client on the first attempt we will add a, "Other-Approval" requirement to the case indicating we have left a message with the client (or whomever) and add the call back number.
- On the fourth day, if the client has not returned our call after leaving 3 messages or after 3 days of calls to telephone numbers with no answering machine, then we will close our file.
- If the client calls in after we have closed the case we will reopen the file and proceed.

Common Aviation Situations

Commercial Aviation

Major scheduled airline pilots and crew members	Rating or Best Possible Class
At least one base in U.S. or Canada	Select
Others	2.50 per \$1,000

Nonscheduled commercial pilots and crew members flying well-maintained company-owned multi-engine planes on company business	Standard
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Nonscheduled airline pilots and crew members flying multi-engine Commercial passenger and cargo planes	Select
Based in the U.S. or Canada	3.00 per \$1,000 and up. IC
Others	

Nonscheduled single engine pilots and crew members	IC
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Traffic reporting	Standard
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Private Aviation

Private pilots flying factory built fixed wing aircraft	
Student pilots or less than 75 hr solo experience	2.50 per \$1,000
75–400 hr solo experience	

Flying up to 200 hr per yr	Standard
Flying over 200 hr per yr	2.50 per \$1,000

Over 400 hr solo experience	
Flying up to 300 hr per yr	Standard
Flying over 300 hr per yr	2.50 per \$1,000

Helicopters	IC
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Homebuilt aircraft	Decline
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Glider Pilots	
Student pilots or less than 25 hr solo experience	2.50 per \$1,000
At least 25 hr solo experience	Standard

Ultralites	Decline
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* For GDB products the case may be accepted at standard rates (no extra) for all ratings except Decline.

FINANCIAL JUSTIFICATION

Financial justification of the amount of life insurance requested is an important consideration. While large business or estate planning cases can present both special and complex challenges, personal insurance remains straight forward.

Please use the following factors for determining the amount of personal insurance available to applicants.

Age	Earned Income Factor	Unearned Income Factor
20 – 30	30	3
31 - 40	25	3
41 - 50	20	3
51 - 60	15	3
61 - 65	10	3
66 +	5	3

For example, someone aged 35 earning \$50,000 per year would be eligible for total coverage (all sources) of \$1,250,000 (50,000 x 25).

Earned income includes all the taxable income and pensions and other wages obtained through employment.

For our calculations, SSI benefits, disability pension benefits, welfare or other city, state or federal assistance benefits are considered unearned income.

Exceptions:

1. Except in rare cases, the minimum face amount, in the absence of other coverage, may be allowed regardless of income.
2. Rounding should be done to the next \$10,000. For example, if someone qualifies for \$102,000 of coverage we would allow \$110,000.

As always, underwriter discretion (allowing more or less coverage) may be applied provided documented justification is properly added to the file using an “exception” note.

Family Income

An unemployed spouse may have an amount equal to that in force (or applied for) on the employed spouse up to \$500,000. For amounts over that, the unemployed spouse is usually limited to 50% of the amount in force (applied for) on the employed spouse.

FOREIGN TRAVEL

The factors that affect consideration of applicants who plan foreign travel can change very quickly. These guidelines are not a substitute for common sense. The current political, environmental, military, criminal and health factors for each country or area where travel is contemplated must be considered.

Always check the State Department web site (www.travel.state.gov) for any travel warnings. If present, coverage is not available.

The following guidelines apply to U.S. citizens traveling abroad. Permanent Residents (Green Card holders) will be considered only if proposed travel is to A+ or A areas only.

Foreign Travel Defined:

- a. Vacation travel is a single trip of 21 days or less.
- b. Business travel totaling not more than 90 days per year and not more than four weeks at a time.
- c. Longer periods of travel will be classified as Foreign Residence and rated appropriately.

Occupations:

Where business travel is indicated and the occupation does not appear to be appropriate (i.e.: janitor) a clear explanation will be required.

Travel by Missionaries (and related religious activities), Diplomats, Journalists, Archeologists, Geologists, Volunteer and Foreign Aid workers will not be considered. Military and US State Department personnel may be considered on an individual basis.

Vacation:

Travel to resort destinations is usually considered at best class. The same holds true for cruise ships which have ports of call in areas of moderate concern.

Visits to “family” should not be considered as true vacation travel and should be handled strictly in accordance with the area classification.

FOREIGN NATIONALS

The standard requirement for our business is that the Proposed Insured must be a US citizen, living in the United States or, a Permanent Resident (green card holder) living in the United States.

In some cases, a US citizen living outside the United States on a temporary basis might be considered if they are residing in a low risk country. The temporary residency must be for a period of 90 days or less. Where a longer period of time is anticipated or where the total amount of time living outside the United States will exceed 4 months per year, the case, if consideration is warranted, must be referred to our reinsurer on a facultative basis.

Temporary Residents

In general, applicants living in the United States on a basis of a visa cannot be considered. For fully examined business, applicants (and family members living with them) residing in the United States on H1B visas and who are from a low risk country can be considered on an individual basis.

UNDERWRITING CONTACTS

Underwriting at Fidelity Life is completed by a combination of Home Office Staff and outside underwriting groups. We recognize that producers have a need to contact an underwriter for any number of reasons and encourage you to do so. Our success, like yours, depends on being able to put profitable business on the books.



Need to speak to an Underwriter? Call:
866.947.8739

This toll-free number searches the underwriting group and finds an available underwriter here at the Home Office.

You may receive communication from underwriters who are not listed below. Feel free to deal with these other underwriters on a case by case basis. General questions or situations of concern should, however, be addressed to following:

➤ Paul Hubbs
Chief Underwriter
224.265.9731
paul.hubbs@fla-life.com

➤ Doug Coe
Assistant Chief Underwriter
224.265.9726
doug.coe@fla-life.com

➤ Fran Gramberg
Underwriting Administration
224.265.9759
fran.gramberg@fla-life.com

Individual case support is divided based on the first letter of the client's last name.

➤ Danny Kidd
Underwriting Consultant
224.265.9755
danny.kidd@fla-life.com
Cases: A-B-C-D-U

➤ Andy Plunkett
Underwriting Consultant
224.265.9756
andy.plunkett@fla-life.com
Cases: E-F-G-H-I-J-K-Y-Z

➤ Jeannine Duplessis
Underwriting Consultant
224.265.9757
jeannine.duplessis@fla-life.com
Cases: L-M-N-O-P-V

➤ Mary Peifer
Underwriting Consultant
24.265.9758
mary.peifer@fla-life.com
Cases: Q-R-S-T-W-X

OTHER CONTACT INFORMATION

Underwriting E-Fax
866.947.8734

General Underwriting E-Mail
und@fla-life.com

Fidelity Life Web Site
www.fidelitylife.com

Application forms and product guides are found in the Agents section (no password is needed).