



WEST COAST LIFE
INSURANCE COMPANY

Main Office:

343 Sansome Street
San Francisco, CA 94104
Toll Free: 800-366-9378

Central Underwriting Office:

9140 West Dodge Road, Suite 400
Omaha, NE 68114
Toll Free: 866-827-5660

Eastern Underwriting Office:

Two Ravinia Drive, Suite 960
Atlanta, GA 30346
Toll Free: 877-239-0100

W-8507 (1/04)

Underwriting Guide

A reference
containing
all our initial
underwriting
requirements



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For Agent Use Only. Not for Consumer Use.

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West Coast Life Underwriting

West Coast Life has built its reputation by providing competent, competitive underwriting for your preferred clients as well as your hard-to-insure cases. We are known for our accessibility and for our knowledge of the marketplace and your needs. We are modern underwriters who understand that each case you bring to us is important and has its own unique set of circumstances. We are proud of our underwriting capabilities and the fact that underwriting is a key element of West Coast Life's growth and product pricing.

For our underwriters to make timely and informed decisions for you, it is important that the proposed insured and agent furnish complete information on the application and provide any additional information that may be pertinent. We offer this guide to assist in this process; however, we also ask that you feel free to call our underwriting team with other questions that might arise.

Completing the Application

A separate application should be used for each individual proposed insured. The spaces on the application for children should only be completed if a Children's Insurance Rider is being applied for. If this is the case, please indicate the number of units of the rider requested, making sure that all questions on page 2 of the application are answered for all children to be covered.

We encourage the agent to ask all the questions on page 2, even if the proposed insured is to be medically examined. Complete details of a condition often enable us to evaluate a risk without an APS.

If the proposed insured has any pending or existing life insurance, it is important for the agent to provide full details regarding the coverage, including the total amount of insurance intended to be in force. If there are no pending or existing policies, please make sure to indicate this specifically, as it will save time requesting this information once the application has reached home office.

If the proposed insured is even considering replacing any existing coverage, the law requires that a completed, signed replacement form accompany the application if it was taken in any state except Alaska, Connecticut, District of Columbia, Maine, North Dakota or Texas.

Please make sure that page 4, the Agent's Report, includes contact information in case we need to request additional information to complete our evaluation.

HIV Authorizations are required for all states. Please make sure that you have all appropriate supplemental forms for your application, including the most updated version. All West Coast Life forms may be obtained online at www.westcoastlife.com in our Agent Center. Your username is your contract number and your password is your zip code.

Appointed Paramedical Companies

The companies listed below are authorized to perform paramedical and medical examinations on behalf of West Coast Life. Each of our authorized examination companies has been advised to send the completed examinations and accompanying paperwork to the agent/BGA that placed the order. It is the agent/BGA's responsibility to ensure that the examination reaches home office with the application. Companies other than those listed below may be acceptable if their quality and pricing are consistent with our standards. **Our paramedical facility of choice for both quality and service is ExamOne.**

◆
ExamOne

(877) 933-9261 www.examone.com

◆
American Para Professional Systems, Inc. (APPS)

(800) 727-2999 www.appsnational.com

◆
Examination Management Services, Inc. (EMSI)

(800) 872-3674 www.exam4web.com

◆
HealthMasters, Inc.

(800) 444-8384

◆
Portamedic

(800) 765-1010 www.portamedic.com

West Coast Life does not maintain a list of approved medical examiners. If an MD exam is necessary and one is not available through the services above, any licensed physician, other than the client's personal physician or a relative, may be used. In this case it will be necessary for you to send the examination form and blood profile kit to that physician. The examination forms may be obtained through our supply center and the blood profile kit can be sent to you directly from LabOne by calling (800) 873-8845. We cannot be responsible for excessive medical fees, so if there is any doubt, please call, fax or e-mail any one of our case managers with questions.

Testing of Proposed Insureds

Our official testing laboratory is LabOne. Our approved paramedical services stock the blood profile and urinalysis kits for this laboratory. LabOne has a list of our testing parameters which include antibodies to the AIDS virus, cotinine (nicotine), and cocaine. If a test result is disputed, we cannot allow retesting if the chain of custody of the specimen is intact, as it is in almost every case.

We do not accept Dried Blood Spots without a note from the paramed indicating he/she has unsuccessfully attempted a venipuncture. If this is the case, our best classification will be Standard and the maximum we will issue is limited to \$500,000 of death benefit.

If a resting EKG has been completed within the last six months and the tracing is available, the test need not be repeated. If a treadmill is needed and one has been completed and is available, the test need not be repeated within 12 months.

In calculating the death benefit for which medical requirements are needed, please be sure to include the total amount of death benefit currently applied for and currently inforce at West Coast Life.

Attending Physicians' Statements

The Attending Physician's Statement is a vital source of information on which to base underwriting decisions. Every Brokerage General Agent has the option to order APSs for his/her agents, as long as we are notified when the case is sent to us. Otherwise, they will be ordered by the Home Office. We will request an APS on all cases for \$1,000,000 and above, over \$500,000 for ages 50 and up, and on a judgment basis for lower amounts.

We will reimburse the BGA for APS costs if the entire record has been received and has followed the parameters of our field APS guidelines. A reimbursement request must be submitted with a copy of the invoice and a copy of the cancelled check or receipt for payment. If we are sharing the APS with other carriers, we ask that you send the bill only to the carrier with whom the case is placed. If more than one policy is accepted, please equally divide the bill between the carriers that place the business.

If an APS has been ordered by West Coast Life, please do not send a second request to the doctor/hospital. This will not only slow down the process, but duplicate requests cannot be reimbursed.

Inspection Reports

Inspection Reports for amounts less than \$1,500,000 may be requested at the discretion of the underwriter. Most often these are requested to obtain financial information or to re-question a proposed insured with no health history. Agents are of tremendous help in saving time and money when they are able to supply as much of this information as possible.

At \$1,500,000 and above or over age 75, you may order the inspection from First Financial Underwriting Services. They have the parameters for the type of report that is needed based upon the face amount of insurance. A Motor Vehicle Report is always included with the inspection, but a Business Beneficiary Inspection Report (BBIR) is only required if the purpose of insurance is business-related. On Legacy (Second-to-Die) coverage, we request a full inspection on the primary insured and a spousal supplement on the joint insured. In the case that the second insured is not the spouse, a full inspection would be requested.

If a report has been completed in the last year for West Coast Life, please do not order one; more than likely, it will not be necessary. We are pleased to pay for any reports that you order within these guidelines, as long as we are told about it when the application is sent in. If an inspection report has not been ordered, we are very happy to do so. First Financial Underwriting Services can be reached at (800) 896-7388.

Financial Underwriting

The single most important consideration for financial underwriting of any size case is knowing how the sale was made. If the sale makes sense to the agent, then it will probably make sense to the underwriter.

All of the information below is given only as a guideline. We depend heavily on the agent to help us understand the purpose of the coverage.

The writing agent is a key source of information and usually the best source. Through the cover letter, he or she can provide an explanation of the method used to establish the requested face amount. The cover letter is the perfect place to clarify any unusual aspects of the case. If the case is complicated and other carriers are involved, this is the place to list all coverage amounts in force, applied for, or being replaced, if any.

Copies of an estate planning analysis and available financial statements should accompany cases in which large amounts are requested or are already in force. For business insurance, copies of an audited financial statement or even a less reliable unaudited statement prepared by a CPA firm are a great help to the underwriter. In some cases, these statements may be required depending upon the depth of the information the inspection company can develop. Certainly for very large amounts, a statement would be required.

Personal Insurance

Ages	Income Multiples
20-30	20x
31-40	16x
41-50	12x
51-60	8x
61 up	5x

Charitable Beneficiaries

The amount of coverage should generally not exceed the amount that would have been contributed throughout the insured's lifetime and should be consistent with an ongoing pattern of support for the charity. In some instances higher amounts can be justified when the insured has given evidence of more than ordinary dedication to the institution as a donor or fund raiser, contributed much time to the cause and the total amount makes sense beyond a mere indemnification approach.

Business Insurance

Creditor

We will cover up to 80% of the loan depending upon the amount and purpose of the loan, but the company debt, financial position of the company, collateral securing the loan, duration and current life insurance in force have to be considered also. The term of the loan for which the insurance is needed should be at least five years. A successful business with revolving lines of credit often applies for coverage just to have it available when the loan is needed. In these cases the cover letter is important so that we understand the loan history and the intentions for management regarding future loans and expansion.

Buy/Sell and Stock Redemption

The amount should be related directly to the proposed insured's ownership percentage and the fair market value of the company.

Keyperson

Five times a key employee's income is a reasonable limit to set; however, under some circumstances, up to ten times may be justified. The underwriter must ascertain that the person has such a unique talent that he/she would be difficult to replace or that a large share of the company profit can be directly attributed to that employee. A cover letter is critical to the underwriter's understanding.

Age and Amount Medical Requirements

Amount at Risk*

Age Last Birthday	\$0 to \$99,999	\$100,000 to \$250,000	\$250,001 to \$750,000	\$750,001 to \$1,000,000	\$1,000,001 to \$3,000,000	\$3,000,001 to \$4,999,999	\$5,000,000 and up
0-16	Submit non-med through \$300,000. Over this amount please consult an underwriter.						
17-40	Non-Med HOS Blood	PM/HOS Blood	PM/HOS Blood	PM/HOS Blood	PM/HOS Blood EKG	PM/HOS Blood EKG	MD/HOS Blood EKG
41-50	PM/HOS Blood	PM/HOS Blood	PM/HOS Blood	PM/HOS Blood	PM/HOS Blood EKG	MD/HOS Blood EKG	MD/HOS Blood Treadmill
51-60	PM/HOS Blood	PM/HOS Blood	PM/HOS Blood EKG	PM/HOS Blood EKG	PM/HOS Blood EKG	MD/HOS Blood EKG	MD/HOS Blood Treadmill
61-65	PM/HOS Blood	PM/HOS Blood	PM/HOS Blood EKG	PM/HOS Blood EKG	PM/HOS Blood EKG	MD/HOS Blood Treadmill	MD/HOS Blood Treadmill **
66-75	PM/HOS Blood	PM/HOS Blood EKG	PM/HOS Blood EKG	PM/HOS Blood EKG	MD/HOS Blood EKG	MD/HOS Blood Treadmill	MD/HOS Blood Treadmill **
76+	PM/HOS Blood	PM/HOS Blood EKG	PM/HOS Blood EKG	PM/HOS Blood EKG **	MD/HOS Blood EKG **	MD/HOS Blood EKG **	MD/HOS Blood EKG **

- * 1. Amount includes total life insurance currently applied for plus West Coast Life policies currently inforce.
- 2. Inspection and Motor Vehicle Reports are required on cases \$1,500,000 and above and on proposed insureds over age 75.
- 3. On second-to-Die cases, each proposed insured's requirements are determined by the full face amount.

** 6 foot PA Chest X-Rays (which may not be done on a portable machine) are required per the following chart:

AGE	No Tobacco Use >10 Years	No Tobacco Use >3 to 10 Years	Current Tobacco Use or Within 3 Years
61-65	\$75,000,000	\$25,000,000	\$10,000,000
66-79	\$25,000,000	\$15,000,000	\$5,000,000
80+	\$10,000,000	\$5,000,000	\$1,000,000

Key: **Blood** = blood profile (to be analyzed by LabOne)
HOS = urine sample (to be analyzed by LabOne)
PM = paramedical examination

EKG = 12 lead resting electrocardiogram
Treadmill = treadmill stress electrocardiogram
MD = exam by a licensed physician (other than the client's personal doctor or a relative)

West Coast Life's Underwriting Guide For "Super Preferred" Risks

* No exceptions may be made to these guidelines, therefore we cannot accept appeals.

- ◆ Standard risk medically and no ratable occupational hazard.
- ◆ Not a private pilot or participant in aviation activities. Pilots and crew members on regularly scheduled passenger flights on major airlines are acceptable if not engaged in any other flying activities. Exclusion is okay except in Missouri, New Jersey and North Dakota.
- ◆ No current blood pressure reading to exceed: 140/85
- ◆ No current or history of blood pressure treatment.
- ◆ No current cholesterol treatment.
- ◆ No history of alcohol or substance abuse within the last 20 years.
- ◆ Build does not exceed the following:

Height/Weight	Height/Weight	Height/Weight
5-0 142	5-8 182	6-4 227
5-1 147	5-9 187	6-5 232
5-2 152	5-10 192	6-6 239
5-3 157	5-11 197	6-7 245
5-4 162	6-0 203	6-8 251
5-5 166	6-1 209	6-9 258
5-6 172	6-2 215	
5-7 176	6-3 221	

- ◆ Cholesterol must be 210 or less. If ratio is 3.5 or lower, then level may be 220.
- ◆ Cholesterol/HDL ratio must not exceed 4.5.
- ◆ No history of internal cancer, melanoma or heart disease within the last 20 years. No history of diabetes (except gestational).
- ◆ No hazardous sports or avocations, i.e., hang gliding, ballooning, motorized racing, parachuting or scuba diving within the last 3 years.
- ◆ No nicotine use of any kind for the last 3 years.
- ◆ Not available if two or more moving violations in the last two years or if any DUI or reckless driving in the last five years.
- ◆ No history of or death from coronary artery disease or cancer of either natural parent prior to age 60, unless the insured is attained age 60 or older.
- ◆ No other adverse underwriting considerations per underwriting judgment.

West Coast Life's Underwriting Guide For "Preferred" Risks

* No exceptions may be made to these guidelines, therefore we cannot accept appeals.

- ◆ Standard risk medically and no ratable occupational hazard.
- ◆ Not a private pilot or participant in aviation activities. Pilots and crew members on regularly scheduled passenger flights on major airlines are acceptable if not engaged in any other flying activities. Exclusion is okay except in Missouri, New Jersey and North Dakota.
- ◆ Blood pressure not to exceed:
145/90 - Age 50 or younger
150/90 - Age 51 or older
- ◆ No history of alcohol or substance abuse within the last 20 years.
- ◆ Build does not exceed the following:

Height/Weight	Height/Weight	Height/Weight
5-0 161	5-8 200	6-4 250
5-1 165	5-9 205	6-5 257
5-2 170	5-10 210	6-6 264
5-3 175	5-11 216	6-7 272
5-4 180	6-0 222	6-8 280
5-5 183	6-1 229	6-9 288
5-6 190	6-2 238	6-10 296
5-7 195	6-3 243	6-11 305

- ◆ Cholesterol must be 230 or less, but if all other criteria are met, add +10 (240 total), including treated cholesterol.
- ◆ Cholesterol/HDL ratio must not exceed 6.0.
- ◆ No history of internal cancer, melanoma or heart disease within the last 20 years. No history of diabetes (except gestational).
- ◆ No hazardous sports or avocations, i.e. hang gliding, ballooning, motorized racing, parachuting or scuba diving within the last 3 years. Recreational scuba diving up to depths of 75 feet is acceptable.
- ◆ No nicotine use of any kind for the last year for Preferred Non-Tobacco. This includes occasional cigars, nicotine gum, etc.
- ◆ Not available if two or more moving violations in the last two years or if any DUI or reckless driving in the last five years.
- ◆ No history of or death from coronary artery disease or cancer of either natural parent prior to age 60, unless the insured is attained age 60 or older.
- ◆ No other adverse underwriting considerations per underwriting judgment.

Non-Smoker/Non-Nicotine Qualifications

In order to qualify for non-tobacco use rates, the proposed insured must not have used tobacco or nicotine products in any form (gum, patches, cigars, etc.) within one year prior to the application. For Super Preferred, however, the time frame is three years. All current positive cotinine (nicotine) results will be treated as tobacco usage.

Occupations and Avocations

List all occupations on the application. The occupation involving the greatest hazard will determine the classification. Very few cases are ratable for occupational hazards. For hazardous avocations, such as scuba diving, auto/boat racing, aviation, rodeo riding, hang gliding, etc., please have the proposed insured complete and sign the appropriate questionnaire.

Conditional Receipt

(Not accepted over \$500,000 or over age 65)

Initial premium may be obtained with the application providing that it is at least equal to the amount of the full first premium for the mode of payment selected. Please do not submit money with the application if the face amount exceeds \$500,000, the insured is over age 65 or has a history of heart disease, stroke or cancer within the last five years. When premium is accepted with the application, please complete the conditional receipt and explain its terms, conditions and limits to the proposed policy owner and insured. The conditional receipt must be left with the proposed policy owner.

If the desired death benefit exceeds the \$500,000 maximum, the application can still be bound for \$500,000 during the underwriting process. In order to do this, submit an application for \$500,000 with the corresponding initial premium, leaving the conditional receipt with the proposed policy owner. On page four of the application, in the remarks section, request an alternate policy for the total face amount desired, noting that only the alternate policy will be placed. Ensure that all necessary medical requirements are completed for the larger face amount. When the application is approved, only the larger amount alternate policy will be issued. The premium will be applied to this policy with the remainder to be collected on delivery.

Refunds of the initial premium will be made directly to the proposed policy owner if the conditional receipt guidelines have not been met, as described above, or if the case appears to be highly substandard. Refunds will also be made should a file be declined, postponed, or closed as incomplete or at the applicant's request. In all instances, the brokerage general agent will be notified of our action.

Inquiries

An inquiry is a request for underwriting review prior to West Coast Life examinations being ordered. **Please do not request that examinations be completed on our behalf without a formal application.** We are pleased to review formal inquiries in which you have assembled the medical histories and/or records on all of your UL and Survivorship business. Please send the inquiry in its entirety rather than piecemeal. The same holds true for our term portfolio. However, **we ask that on term cases under \$2,000,000, you submit just a one page summary,** enabling us to give you a fast quote. You may send the summary via e-mail according to your assigned underwriting office:

San Francisco: inquiry.desk@wclife.com

Omaha: omaha.inquiry@wclife.com

Atlanta: atl.inquiry@wclife.com.

Reinsurance

In general, West Coast Life underwriters may automatically bind up to \$10,000,000 of coverage without going to the reinsurance market. This amount does vary, however, by ratings and ages. **If the total amount of insurance that is in force and applied for in all companies exceeds \$30,000,000, the case must also be sent to reinsurers.** This is generally transparent to the agent.

There are relatively few reinsurers and they, too, have their limits of acceptance before they must "retrocede" insurance to other reinsurers. If an agent or multiple agents have sent a proposed insured to more than one or two direct writers (depending on the face amount and each direct writer's capacity), it is relatively easy to "lock up" the reinsurance marketplace. For this reason we are always happy to act as the "lead" company for you. Send us your very large cases and we will be more than pleased to "reserve facilities" with our reinsurers. This does require a signed application in our hands.