



FIELD COMPLIANCE ALERT

DATE: August 20, 2015

STATES COVERED: Florida

BSOs: 2013, 2014, 2016, 2019, 2021, 2022, 2025, 2029, 2033, 2039 and 2063

TO: All BSMs, Agents and BOAs

CC: TVPs, TODs, Territory Compliance Specialists and TOAs

SUBJECT: FL House Bill 1133: Surrendering Annuity and Life Insurance: Agent Disclosure Form

Florida House Bill 1133 requires agents to provide policy owners with the following estimated information if the agent recommends that an inforce annuity or life insurance policy be surrendered if the proceeds from the surrender will not be used to fund another annuity or life insurance policy.

- Amount of surrender charge
- Loss of minimum interest rate guarantee
- Possibility of tax consequences
- Amount of forfeited death benefit

When agents replace an inforce annuity or life insurance policy, they include this information on the following forms (N/A for Colonial Penn):

- Life Recommendation and Replacement Form 18424
- D14-1180 Replacement Form
- L-6830FL Notice to Applicant Regarding Replacement of Life Insurance
- Comparative Information Form for Proposed Insurance L-7500-1(FL)

If the agent recommends that the client surrender a Bankers Life annuity or life insurance policy or a Colonial Penn life policy and is not replacing the coverage, agents should complete the attached form. One copy should be given to the client and the other copy should be given to the BOA who will retain the form in the office files. The form will be available on the Compliance page of BSPN.

Surrendering annuities and life insurance policies is an important decision for clients. Before recommending that the client surrender a policy, agents should make sure the client understands what they are giving up.

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

Life/Annuity Surrender Without Replacement Agent Disclosure Form

Bankers Life and Casualty Company

Colonial Penn Life Insurance Company

For Florida Residents: I am providing the following estimated information in relation to the surrender of policy(ies) name/type: _____

Name of Policy Owner: _____

Surrendered Policy/Certificate Number(s): _____

Name of Company: _____

Surrender Charge: \$ _____

Loss of any Minimum Interest Rate Guarantees: _____

Amount of Forfeited Death Benefit: \$ _____

Description of any other investment performance guarantees being forfeited as a result of the transaction:

NOTE: The possibility of tax consequences resulting from the surrender of an annuity or life insurance policy containing a cash value. Competent tax advice should be secured to clarify income tax implications.

Dated: _____

Policy Owner's Signature: _____

Agent or Company Officer Signature: _____

Florida Licensed Agent ID No. or Corporate Title: _____