

## A BANNER LIFE AGENCY COMMUNICATION

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# CALIFORNIA DISCLOSURE NOTICE FOR SELLING OR GENERATING LEADS FOR SALE OF LIFE INSURANCE TO SENIORS

TO: ALL BANNER LIFE GENERAL AGENTS  
FROM: FRANK GENCARELLI, SVP, DISTRIBUTION AND MARKETING  
DATE: FEBRUARY 26, 2010

In compliance with existing California law, all Banner Life brokers and agents engaged in the transaction of insurance with a prospective insured, who is 65 years of age or older (Senior), must comply with the following:

1. If an Agent offers to sell to a Senior any Banner Life insurance product, the Agent must advise the Senior or the Senior's agent in writing that If the transaction of insurance involves the sale or liquidation of any stock, bond, IRA, certificate of deposit, mutual fund, annuity, or other asset to fund the purchase of the life insurance product, the agent must inform the Senior that there may be tax consequences, early withdrawal penalties or other costs or penalties as a result of the sale or liquidation. The agent must also advise the Senior to consult independent legal or financial advice before selling or liquidating any assets, and prior to the purchase of any life insurance products being solicited, offered for sale, or sold.

The Agent and the Senior are required to attest and sign the California Applicant (65 years or older) Verification of Disclosure Statement (Banner Form LU-1292) and the Agent will be required to provide Banner a signed copy of the form.

2. If the Agent meets with the Senior at the Senior's home, the Agent must do the following:
  - a. The Agent must deliver notice in writing (California Disclosure Notice Form – Banner Form LU1291 (01-10) to the Senior no less than 24 hours prior to the Agent's initial meeting in the Senior's home. If the Senior has an existing insurance relationship with the Agent and requests a meeting with the Agent in the Senior's home the same day, a notice shall be delivered prior to the meeting.
  - b. Upon contacting the Senior in the Senior's home, the Agent shall, before making any statement other than a greeting, or asking the Senior any other questions, state that the purpose of the contact is to talk about insurance, or to gather information for a follow up visit to sell insurance, if that is the case.
  - c. The Agent is required to state all of the following information: **(a)** The name and titles of all persons arriving at the Senior's home and **(b)** The name of the insurer represented by the person, if known.
  - d. The Agent must require that each person attending a meeting with a Senior, including the Agent, provide the Senior with a business card or other written

identification stating the person's name, business address, telephone number, and any insurance license number.

- e. The Agent must require that each person attending a meeting with a Senior, including the Agent, end all discussions and leave the home of the Senior immediately after being asked to leave by the Senior.
- f. The Agent may not solicit a sale or order for the sale of a life insurance policy at the residence of a Senior, in person or by telephone, by using any plan, scheme, or ruse that misrepresents the true status or mission of the contact.
- g. The Agent and the Senior are required to attest and sign the California Applicant (65 years or older) Verification of Disclosure Statement (Banner Form LU-1292) and the Agent will be required to provide Banner a signed copy of the form.