

Underwriting criteria for all products except Survivor Life UL

	Preferred Plus	Preferred		Standard Plus	Standard
Impairments	No personal history of disease or impairment that would affect mortality	No personal history of disease or impairment that would affect mortality	Impairments	Can have personal history of certain diseases or impairments	Can have personal history of certain diseases or impairments
Blood Pressure	Currently well controlled with or without treatment, with no readings in the past two years greater than 136/86	Currently well controlled with or without treatment, with no readings in the past two years greater than 146/90	Blood Pressure	Currently well controlled with or without treatment, with no readings in the past two years greater than 152/92	Currently well controlled with or without treatment, with no readings in the past two years greater than 156/94
Family History	No cardiovascular disease or cancer in either parent or siblings before age 60	No cardiovascular or cancer death in either parent before age 60	Family History	No cardiovascular or cancer death in either parent before age 60	No cardiovascular death of more than one parent before age 60
Driving History	Not available if 2 or more moving violations in last 2 years or any DUI in last 5 years	Available only with flat extra if 2 or more moving violations in last 2 years; not available if any DUI in last 5 years	Driving History	Available only with flat extra if 2 or more moving violations in past year; not available if any DUI in last 2 years	Available only with flat extra if 2 or more moving violations in past year; not available if any DUI in last 2 years
Tobacco Use	No use of tobacco or nicotine-based products in last 36 months	No use of tobacco or nicotine-based products in last 24 months	Tobacco Use	No use of tobacco or nicotine-based products in last 12 months	For the SNT class, no use of tobacco or nicotine-based products in last 12 months
Cancer History	Only available on certain types of skin cancer	Only available on certain types of skin cancer	Cancer History	Available depending on type and date of onset of cancer	Available depending on type and date of onset of cancer
Cholesterol	May not exceed 220 with or without treatment	May not exceed 250 with or without treatment	Cholesterol	May not exceed 280 with or without treatment	May not exceed 300 with or without treatment
Chol/HDL Ratio	May not exceed 5.0 with or without treatment	May not exceed 6.0 with or without treatment	Chol/HDL Ratio	May not exceed 7.0 with or without treatment	May not exceed 8.0 with or without treatment
Substance/Alcohol Abuse	No abuse	No abuse in past 10 years	Substance/Alcohol Abuse	No abuse in past 7 years	No abuse in past 7 years
Aviation	Available only with exclusion rider	Available, however will have flat extra or exclusion rider	Aviation	Available, however may have flat extra or exclusion rider	Available, however may have flat extra or exclusion rider
Avocation	Available only if no flat extra premium would be required	Available, however may have a flat extra	Avocation	Available, however may have a flat extra	Available, however may have a flat extra
Residency/Citizenship	Must be U.S. resident for past 3 years and either U.S. citizen or have permanent Visa or Green Card	Must be U.S. resident for past 3 years and either U.S. citizen or have permanent Visa or Green Card	Residency/Citizenship	Must be U.S. resident for past 2 years and either U.S. citizen or have permanent Visa or Green Card	Must be U.S. resident for past 2 years and either U.S. citizen or have permanent Visa or Green Card
Build	See chart on page 2	See chart on page 2	Build	See chart on page 2	See chart on page 2

SUBSTANDARD -- Available through Table 12. Table ratings are not available on Preferred Plus Non-Tobacco or Preferred Non-Tobacco.



Underwriting Requirements and Criteria for all Banner Life Products except Survivor Life UL.
Effective 8/16/2002. Underwritten by Banner Life Insurance Company Rockville, Maryland 20850. LAA 1216 02-092

Abbreviations

APM	Abbreviated Paramed - The paramed technician, in addition to collecting full blood and HOS, will record pulse, blood pressure, height and weight
BBR	Business Beneficiary Report
BCP	Blood Chemistry Profile - Required for applicants age 16 and older
CXR	Chest X-Ray - required for tobacco users only
EKG	Electrocardiogram - Resting
HOS	Home Office Specimen - Required for applicants age 16 and older
IR	Inspection Report - Order through approved vendor
LPR	Life Plus Report - Ordered by the home office only
MDE	MD Exam - Examination by a licensed physician
MVR	Motor Vehicle Report - Ordered by the home office only
NM	Nonmed - Part II Nonmedical Declaration
PINS	Personal Information Statement - Financial underwriting guidelines take precedence over the underwriting requirements to determine when this form is required
PM	Paramed - Paramedical examination must include medical history, height, weight, pulse and blood pressure
TVC	Timed Vital Capacity Test
TST	Treadmill Stress Test - Exercise electrocardiogram must be a treadmill test

Build Charts

Preferred Plus Build Chart					
Height	Male	Female	Height	Male	Female
5'0"	144	135	6'0"	207	180
5'1"	148	138	6'1"	213	184
5'2"	153	140	6'2"	219	188
5'3"	158	143	6'3"	225	193
5'4"	163	145	6'4"	230	197
5'5"	168	148	6'5"	237	201
5'6"	174	150	6'6"	243	205
5'7"	179	155	6'7"	249	209
5'8"	185	160	6'8"	256	214
5'9"	190	165	6'9"	262	218
5'10"	196	170	6'10"	268	222
5'11"	201	175	6'11"	276	226

Preferred/Standard Plus/Standard Male/Female Build Chart			
Height	Preferred	Standard Plus	Standard
5'0"	158	166	172
5'1"	163	172	178
5'2"	168	175	183
5'3"	174	182	190
5'4"	179	188	195
5'5"	185	194	202
5'6"	191	200	208
5'7"	197	206	215
5'8"	203	212	221
5'9"	209	219	228
5'10"	215	226	234
5'11"	221	231	241
6'0"	228	240	249
6'1"	234	245	255
6'2"	241	253	263
6'3"	247	259	269
6'4"	253	265	276
6'5"	260	272	283
6'6"	267	280	291
6'7"	274	287	299
6'8"	281	294	306
6'9"	288	302	314
6'10"	295	309	322
6'11"	303	317	330

Underwriting Requirements

Face Amount †	≤ 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 74	≥ 75
\$100,000 to \$150,000	1	2	2	2	4	5	6
\$150,001 to \$200,000	1	2	2	3	4	5	6
\$200,001 to \$250,000	1	2	2	3	4	5	6
\$250,001 to \$300,000	1	2	2	3	4	5	6
\$300,001 to \$350,000	7	4	4	4	4	5	6
\$350,001 to \$400,000	7	4	4	4	4	5	6
\$400,001 to \$500,000	7	4	4	4	4	5	6
\$500,001 to \$700,000	8	8	8	8	9	10	6
\$700,001 to \$750,000	8	8	8	8	9	10	6
\$750,001 to \$1,000,000	8	8	8	8	9	10	6
\$1,000,001 to \$1,500,000	8	8	8	5	10	10	6
\$1,500,001 to \$2,000,000	5	10	10	10	10	10	6
\$2,000,001 to \$2,500,000	5	10	10	10	10	10	6
\$2,500,001 to \$3,000,000	5	10	10	10	10	10	6
\$3,000,001 to \$3,500,000	10	10	10	11	11	11	12
\$3,500,001 to \$4,000,000	10	10	10	11	11	11	12
\$4,000,001 to \$5,000,000	10	10	10	11	11	11	12
Over \$5,000,000	11	11	11	11	11	11	12

† FACE AMOUNT -
 For the purpose of determining the correct underwriting requirements, please add:
 1. The face amount (including rider amount) currently being applied for; PLUS
 2. The face amount (including rider amount) of all existing policies with the company applied to (William Penn and/or Banner Life); PLUS
 3. The face amount (including rider amount) of all coverage applied for and/or issued by all other companies within the preceding three months.

Group #	Description *
1	NM, HOS, BCP, APM, MVR
2	PM, HOS, BCP, MVR
3	PM, HOS, BCP, EKG, MVR
4	PM, HOS, BCP, PINS, EKG, MVR
5	PM, HOS, BCP, PINS, EKG, IR, MVR
6	MDE, HOS, BCP, EKG, PINS, TVC, IR, MVR
7	PM, HOS, BCP, PINS, MVR
8	PM, HOS, BCP, PINS, EKG, MVR, LPR
9	MDE, HOS, BCP, PINS, EKG, MVR, LPR
10	MDE, HOS, BCP, PINS, EKG, IR, MVR
11	MDE, HOS, BCP, PINS, CXR, TST, IR, MVR
12	MDE, HOS, BCP, PINS, CXR, TST, IR, TVC, MVR

Abbreviation Key	
APM	Abbreviated Paramed
BBR	Business Beneficiary Report
BCP	Blood Chemistry Profile
CXR	Chest X-Ray (tobacco users only)
EKG	Electrocardiogram
HOS	Home Office Specimen
IR	Inspection Report
LPR	Life Plus Report
MDE	MD Exam
MVR	Motor Vehicle Report
NM	Nonmed
PINS	Personal Information Statement
PM	Paramed
TVC	Timed Vital Capacity Test
TST	Treadmill Stress Test

*For any case, additional financial statements and/or information may be required to justify applied for coverage amounts. You may need to order an IR and/or BBR even though the age/amount underwriting requirements do not normally require it. This chart takes precedence in business situations.

Please note: Banner Life reserves the right to request additional requirements whenever they are deemed necessary.

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Medical Impairments

Underwriting Considerations

Medical History	PPNT	PNT
Anxiety	*	*
Arthritis	no	*
Asthma	no	no
Cardiovascular/Heart Disease	no	no
Chronic Fatigue Syndrome	*	*
Chronic Obstructive Pulmonary Disease	no	no
Crohn's Disease	no	*
Depression	*	*
Diabetes	no	no
Elevated Liver Function Tests	no	*
Epilepsy	no	*
Fibromyalgia	*	*
Gastric/Peptic Ulcers	*	*
Hepatitis C (treated and cured)	*	*
Hypertension	*	*
Kidney Disease	no	no
Liver Disease	no	no
Multiple Sclerosis	no	no
Stroke	no	no
Ulcerative Colitis	no	no
Vascular Disease	no	no
*May be eligible depending on the date of onset, duration, severity and response to treatment.		

Reinsurance

We have a **retention schedule** of \$750,000 on all preferred plus, preferred, standard, standard plus, and substandard issues through age 75. This schedule gives us **automatic** binding authority of \$12 million.

We have a jumbo limit (the amount of insurance in force and applied for on a particular applicant) of \$20 million.

Financial Underwriting

Financial underwriting is an important aspect of the risk assessment process. In essence, the underwriters must decide "if the case makes sense." Specifically, they must consider the following:

- Is there an insurable interest?
- Is there a definable loss?
- Is there a valid need and purpose for insurance?
- Does the amount of insurance applied for tie in with the amount of loss?

Older Age Market

Working closely with our reinsurers, we have developed traditional and non-traditional underwriting techniques to competitively evaluate risks in the older age market (applicants 76-85). We also have an in-house medical director board certified in internal and insurance medicine.

We currently have a \$250,000 **retention schedule**, ages 76-85, which gives us **automatic** binding authority of \$2 million through Table 8 for ages 76-80 and through Table 4 for ages 81-85. We have additional capacity available through our facultative reinsurance sources.

Financial Underwriting Guidelines

Personal Insurance

AGES	FACTOR x INCOME	AGES	FACTOR x INCOME
20-30	10-15	51-65	5-10
31-40	15-20	65 & Over	1-4
41-50	10-15		

Data Required:

- PINS for face amounts of \$300,001 - \$1,500,000 through age 60
- PINS for face amounts of \$300,001 - \$1,000,000 for ages 61-70
- PINS and IR required for all other amounts and ages exceeding the above limits.

Keyperson

Factor:

5-10 times the annual income (salary and bonus).
Could possibly consider more when facts and financial data can demonstrate a greater loss to the company.

*Data Required:

- PINS for face amounts up to \$1,000,000
- PINS and IR with BBR for amounts exceeding \$1,000,000

Creditor/Debt Repayment (Non-Collateralized)

Factor:

Up to 90% of the loan amount. Term of loan is at least 5 years.

*Data Required:

- Details of loan or copy of loan agreement and PINS for face amounts up to \$500,000
- Details of loan or copy of loan agreement, PINS and IR with BBR for amounts exceeding \$500,000

Creditor/Debt Repayment (Collateralized)

Factor:

Up to 65% of the loan amount. Term of loan is at least 5 years.

*Data Required:

- Details of loan or copy of loan agreement and PINS for face amounts up to \$500,000
- Details of loan or copy of loan agreement, PINS and IR with BBR for amounts exceeding \$500,000

Buy-Sell, Partnership, Stock Redemption

Factor:

Percentage of ownership times the corporate value.

*Data Required:

- Details of or copy of buy-sell agreement and PINS for amounts through \$500,000
- Details of or copy of buy-sell agreement, PINS and IR with BBR for amounts exceeding \$500,000

Estate Tax Planning

Factor:

Net assets times the tax rate.

*Data Required:

- PINS for face amounts of \$500,000 - \$1,000,000
- PINS and IR for amounts exceeding \$1,000,000

New Corporations

Factor:

Percentage of ownership times corporate net worth plus 90% of the loan obligation of each proposed insured.

*Data Required:

Business plan, PINS and IR for all amounts applied for.

Charitable Contributions

Factor:

Average contribution for past 3-5 years times the life expectancy factor based on current age and mortality classifications.

*Data Required:

- Contribution record and PINS for amounts through \$500,000
- Contribution record, PINS and IR for amounts exceeding \$500,000

*For any case, additional financial statements and/or information may be required to justify applied for coverage amounts. You may need to order an IR and/or BBR even though the age/amount underwriting requirements located on page 3 do not normally require it. This chart takes precedence in business situations.

