

Occasional deviations from printed guidelines will only be considered when supported by well-documented factors that positively influence an applicant's mortality risk profile.

Preferred Underwriting Guidelines

First Penn-Pacific offers three Preferred Underwriting classifications:

- Preferred Best Non-Tobacco (PBNT)**
- Preferred Non-Tobacco (PNT)***
- Preferred Tobacco (PT)***

To be considered for any of the preferred classifications, the insured must pass a paramedical examination including normal screening tests (blood, urine, EKG, treadmill, etc.) and must not be considered Substandard for any reason except for flat extras (PNT and PT only) for occupation and avocation (except aviation).

For best possible results, we strongly recommend that the insured abstain from food and drink for a period of 12 hours prior to having blood drawn.

IMPORTANT! There is more than one requirements schedule for First Penn-Pacific. Please verify that the selected paramed is following the term life insurance examination requirements schedule.

Underwriting Categories	Preferred Best Non-Tobacco	Preferred Non-Tobacco	Preferred Tobacco
Tobacco usage (includes nicotine-based products)	none in the past 5 yrs	none in the past 3 yrs	any in the past 3 yrs
Nicotine positive in urine	no	no	acceptable
Cholesterol/HDL ratio	5.0	6.5	6.0
Cholesterol treatment	no	**	**
Cholesterol chol./HDL ratio of 4.5 or less otherwise	Must not exceed 250 220	275 250	250 250
Blood pressure untreated treated	140/85 no	150/90 140/90	150/90 no
Family history (includes parents & siblings) Coronary Artery Disease	No occurrences prior to age 60	No deaths prior to age 60	No occurrences prior to age 60
Internal Cancer or Melanoma	No occurrences prior to age 60	No deaths prior to age 60	No deaths prior to age 70
Aviation	no	no	no
Avocation (hazardous)	no	**	**
Driving moving violations DUI/reckless driving	Not more than 2 in the past 3 years None in the past 5 years		
U.S. residency	U.S. resident for the past 3 years		
Citizenship	Must be a U.S. citizen or have a permanent visa/green card		
Travel To underdeveloped/politically unstable countries	no	no	no
Military (active)	no	**	**

Build Chart Unisex, maximum weight in pounds

Preferred Best Non-Tobacco				Preferred Non-Tobacco and Preferred Tobacco			
Height	Weight	Height	Weight	Height	Weight	Height	Weight
4'-8"	125	5'-8"	185	4'-8"	135	5'-8"	195
4'-9"	130	5'-9"	190	4'-9"	140	5'-9"	200
4'-10"	135	5'-10"	195	4'-10"	145	5'-10"	210
4'-11"	140	5'-11"	200	4'-11"	150	5'-11"	215
5'-0"	145	6'-0"	205	5'-0"	155	6'-0"	220
5'-1"	150	6'-1"	210	5'-1"	160	6'-1"	225
5'-2"	155	6'-2"	215	5'-2"	165	6'-2"	230
5'-3"	160	6'-3"	220	5'-3"	170	6'-3"	235
5'-4"	165	6'-4"	225	5'-4"	175	6'-4"	240
5'-5"	170	6'-5"	235	5'-5"	180	6'-5"	250
5'-6"	175	6'-6"	240	5'-6"	185	6'-6"	260
5'-7"	180	6'-7"	245	5'-7"	190	6'-7"	265

Medical History	Preferred Best Non-Tobacco	Preferred Non-Tobacco	Preferred Tobacco
Alcohol/drug abuse dependency	no	no	no
Arthritis (rheumatoid)	no	**	**
Asthma (requiring treatment within past 2 years)	no	**	**
Bronchitis (chronic)	no	**	no
Cancer (except certain basal cell skin types)	no	no	no
Cardiovascular/heart disease	no	no	no
Chronic Obstructive Pulmonary Disease	no	**	no
Crohn's Disease (ileitis)	no	**	**
Depression (requiring treatment within past 2 years)	no	**	**
Diabetes (insulin & non-insulin dependent)	no	no	no
Emphysema	no	**	no
Epilepsy (seizures within past 5 years)	no	**	**
Gastric/Peptic Ulcers (requiring treatment within past 2 years)	no	**	**
Hyperlipidemia (treatment of elevated cholesterol/lipids)	no	**	**
Hypertension	no	**	no
Kidney/Liver Disease (chronic)	no	**	**
Melanoma	no	no	no
Mental Illness	no	**	**
Multiple Sclerosis	no	**	**
Stroke (including TIA)	no	no	no
Ulcerative Colitis	no	**	**
Vascular Disease	no	**	**

* Medical histories (depending on the nature of the impairment, severity, and treatment), Avocations and Military Service (depending on the nature of the activity) not specifically excluded, may or may not be eligible for PNT/PT.

Standard Plus Underwriting Guidelines

To be considered for the Standard Plus Non-Tobacco classification, the insured must pass a paramedical examination including normal screening tests (blood, urine, EKG, treadmill, etc.) and must not be considered Substandard for any reason except for flat extras (PNT, SPNT and PT only) for occupation and avocation (except aviation).

For best possible results, we strongly recommend that the insured abstain from food and drink for a period of 12 hours prior to having blood drawn.

IMPORTANT! There is more than one requirements schedule for First Penn-Pacific. Please verify that the selected paramed is following the term life insurance examination requirements schedule.

Underwriting Categories	Standard Plus Non-Tobacco
Tobacco usage (includes nicotine-based products)	none in the past 3 yrs
Nicotine positive in urine	no
Cholesterol/HDL ratio	7.5
Cholesterol treatment	**
Cholesterol chol./HDL ratio of 4.5 or less	325
otherwise	275
Blood pressure treated or untreated	+15 debits
Family history (includes parents & siblings)	No deaths prior to age 50
Coronary Artery Disease	No deaths prior to age 50
Internal Cancer or Melanoma	No deaths prior to age 50
Aviation	no
Avocation (hazardous)	**
Driving moving violations	Not more than 3 in the past 3 years
DUI/reckless driving	None in the past 5 years
U.S. residency	U.S. resident for the past 3 years
Citizenship	Must be a U.S. citizen or have a permanent visa/green card
Travel To underdeveloped/politically unstable countries	no
Military (active)	**

Standard Plus Underwriting Guidelines

Medical History	Standard Plus Non-Tobacco
Alcohol/drug abuse dependency	no
Arthritis (rheumatoid)	**
Asthma (requiring treatment within past 2 years)	**
Bronchitis (chronic)	**
Cancer (except certain basal cell skin types)	no
Cardiovascular/heart disease	no
Chronic Obstructive Pulmonary Disease	**
Crohn's Disease (ileitis)	**
Depression (requiring treatment within past 2 years)	**
Diabetes (insulin & non-insulin dependent)	no
Emphysema	**
Epilepsy (seizures within past 5 years)	**
Gastric/Peptic Ulcers (requiring treatment within past 2 years)	**
Hyperlipidemia (treatment of elevated cholesterol/lipids)	**
Hypertension	**
Kidney/Liver Disease (chronic)	**
Melanoma	no
Mental Illness	**
Multiple Sclerosis	**
Stroke (including TIA)	no
Ulcerative Colitis	**
Vascular Disease	**

Build Chart Unisex, maximum weight in pounds

Standard Plus Non-Tobacco			
Height	Weight	Height	Weight
4'-8"	150	5'-8"	210
4'-9"	155	5'-9"	215
4'-10"	160	5'-10"	225
4'-11"	165	5'-11"	230
5'-0"	170	6'-0"	235
5'-1"	175	6'-1"	240
5'-2"	180	6'-2"	245
5'-3"	185	6'-3"	250
5'-4"	190	6'-4"	255
5'-5"	195	6'-5"	265
5'-6"	200	6'-6"	275
5'-7"	205	6'-7"	280

* Medical histories (depending on the nature of the impairment, severity, and treatment), Avocations and Military Service (depending on the nature of the activity) not specifically excluded, may or may not be eligible for SPNT.

Medical & Financial Underwriting Guidelines

Non-Tobacco Classification

Qualification for the Non-Tobacco classifications requires that the applicant must not have used any tobacco or nicotine-based products in the past 3 years (5 years for Preferred Best) and must not test positive for nicotine in the urine. Nicotine-based products include nicotine gum, nicotine patches, etc.

Tobacco users have demonstrated significantly higher mortality based on insurance company statistics. First Penn-Pacific will treat misrepresentation of tobacco use in the same manner as any significant misrepresentation. If discovered during the contestable period, First Penn-Pacific will seek to rescind the policy and deny the entire death benefit.

Attending Physician's Statement

Generally, our office in Schaumburg will order any required Attending Physician's Statement (APS). We have contracted with an organization that specializes in obtaining APS's through the use of current tele-communication techniques. If you have concerns about any particular doctor or medical facility from whom we've ordered an APS, please inform your underwriting team immediately.

Medical Examinations

Our examinations are to be made exclusively by the following paramedical facilities:

- American Para Professionals Systems, Inc. (APPS)
- Examination Management Services, Inc. (EMSI)
- Portamedic (part of Hooper Holmes)
- Exam One - World Wide Health Services, Inc.

The approved parameds are well acquainted with First Penn-Pacific's requirements for age and amount and will arrange for the appropriate tests to be performed. If a physician exam is required, please contact one of the above listed paramedical facilities. The exam will be performed by a physician associated with the approved paramed.

IMPORTANT! When ordering exam requirements from the approved paramed, please be sure to confirm that the paramed is following the Examination Requirements Schedule for First Penn-Pacific's office in Schaumburg, IL.

Inspection Reports

First Penn-Pacific has selected one inspection company to handle all of our inspection-related needs. They are electronically linked to our office in Schaumburg to ensure prompt handling and follow-up. Processing can be further expedited by including the applicant's home and business phone numbers and convenient times to call.

Financial Underwriting

The total amount of life insurance on any one life must be roughly equivalent to the amount of financial loss sustained should that person die. It is not uncommon for the Schaumburg office underwriter to request financial information. The agent can expedite the processing of large face amount cases by submitting a cover letter detailing the purpose of the insurance and (continued on page 51)

Medical & Financial Underwriting Guidelines

a copy of any financial statements that may be available.

The following financial underwriting guidelines provide the parameters used in determining the maximum amount of insurance that can be in-force on an individual. If exceeded, a detailed explanation should be provided to help the underwriter evaluate the risk.

Personal Insurance

age	up to 30	40	50	60	65
multiple of earned income*	20x	15x	10x	8x	5x

*Defined as salary, bonus, deferred compensation

Business Insurance

Evaluating a business insurance application can involve a more detailed analysis than a personal insurance application. Applying for business insurance requires the completion of the Corporate/Business section of the Part One application.

In addition to Key-Man and Buy-Sell guidelines explained in the following paragraphs, the financial stability of the business will be taken into account.

A company that is losing money and/or that has a negative or insignificant net worth presents a special problem especially if it appears that the amount of insurance applied for will exceed the value of the company. In these situations, it is important to provide your underwriter with as much information as possible to help evaluate the risk.

Key-Man - Usually 5-10 times earned income.

Buy-Sell - Equal to the individual owner's proportional share of the value of the business. For our purposes, a company's fair market value is determined by multiplying the annual corporate net income by a factor of 5 to 10. If some other method has been used, please provide your underwriter with the formula.

Conditional Receipt

If premium is received with the application, fill out the Conditional Receipt, explain its terms, conditions and limits to the proposed insured and owner/applicant, and detach and give it to the owner/applicant.

Do not accept or send money on applications that total more than \$500,000 or if the proposed insured has a history of heart disease, stroke or cancer. Do not send partial premiums; a full mode premium is needed (2 months for PAC cases). If money is collected under the aforementioned circumstances, we will refund money directly to the applicant and continue to underwrite on a C.O.D. basis.

In situations other than outlined in the above paragraph, direct refunds to the applicant will be made if an application is declined, withdrawn, filed incomplete, not taken or appears to be substandard. In all such instances, however, the General Agent will be notified prior to such action.