

First **Catholic** Slovak Ladies **Association**

First Catholic Slovak Ladies Association of the United States of America
24950 Chagrin Blvd., Beachwood, OH 44122 • (800) 464-4642 • www.fcsla.org

IMPORTANT NOTICE REGARDING REPLACEMENT OF INSURANCE

Save this notice! It may be important to you in the future.

The decision to buy a new life insurance policy or annuity and discontinue or change an existing one is very important. Your decision could be a good one -- or a mistake. It should be carefully considered. The Washington state insurance commissioner requires us to give you this notice to help you make a wise decision.

STATEMENT TO APPLICANT BY INSURANCE PRODUCER:

I believe the replacement of insurance involved in this transaction materially improves your position. My conclusion has taken into account the following factors, which I call to your attention.

1. Can there be reduced benefits or increased premiums in later years? No Yes
If yes, explain: _____

2. Are there penalties, set up or surrender charges for the new policy? No Yes
If yes, explain, emphasizing any extra cost for early withdrawal: _____

3. Will there be penalties or surrender charges under the existing insurance as a result of the proposed transaction? No Yes
If yes, explain: _____

4. Are there adverse tax consequences from the replacement under current tax law? No Yes
If yes, explain: _____

5. a) Are interest earnings a consideration in this replacement? No Yes
b) If "yes," explain what portions of premiums or contributions will produce limited or no earnings.
As pertinent, include in your explanation the need for minimum deposits to enhance earnings,
and the reduction of earnings that may result from set-up charges, policy fees, and other factors.

6. Are minimum amounts required to be on deposit before excess interest will be paid? No Yes
If yes, explain: _____

7. If the new program is based on a variable or universal life insurance policy or a single-premium policy or annuity:
 - a) Are the interest rates quoted before or after fees and mortality charges have been deducted? _____
 - b) Interest rates are guaranteed for how long? _____
 - c) The minimum interest rate to be paid is how much? _____
 - d) If applicable, the rate you pay to borrow is _____ and the limit on the amount that can be borrowed is _____
 - e) The surrender charges are _____
 - f) The death benefit is _____
8. Are there other short or long term effects from the replacement that might be materially adverse? No Yes
If yes, explain: _____

Signature of Insurance Producer _____ Date _____

Name of Insurance Producer _____

Address _____

List of Policies or Contracts to be Replaced:

Company	Insured	Contract No.
_____	_____	_____
_____	_____	_____
_____	_____	_____

CAUTION: The insurance commissioner suggests you consider these points:

- Usually, contestable and suicide periods start again under a new policy. Benefits might be excluded under a new policy that would be paid under existing insurance.
- Terminating or altering existing coverage, before new insurance has been issued, might leave you unable to purchase other life insurance or let you buy it only at substantially higher rates.
- You are entitled to advice from the existing insurance producer or company. Such advice might be helpful.
- Study the comments made above by the insurance producer. They apply to you and this proposal. They are important to you and your future.

Completed Copy

Received _____
(Applicant's Signature) (Date)

THIS COMPLETED FORM SHOULD BE FILED PERMANENTLY WITH YOUR NEW INSURANCE POLICY.

Washington

For Washington there is one state-specific replacement form, the Important Notice Regarding Replacement of Life Insurance (“Replacement Form”). It is to be used as follows:

If the certificate to be purchased is to replace an existing policy, the agent should review the Replacement Form with the client and both the client and the agent need to sign the form. The agent should leave one copy with the client, keep one and return one to us.

The Agent should also complete the Sales Materials Verification Form and keep one copy and return one to us.

REPLACEMENT PROCESS:

1. Our application asks if the new cert will replace an old one. If the answer is YES, the applicant must be given the Replacement Form which should be filled out by the agent (or client) and signed by both the Agent and the client. One copy should stay with the client, the agent should keep one copy and we should get one copy.
2. The Agent should also complete the Sales Materials Verification Form and keep one copy and return one copy to us.
3. Once we receive the Replacement Form, within 3 business days, we must send the existing insurer a copy of the Replacement Form and we must also send a disclosure statement or policy summary & description.
4. Record keeping: copies of all of the above replacement notices must be kept for a period of three years or until our ODI Examination following the replacement (whichever time period is longer).