



Gerber Life  
Insurance Company

# Gerber Life Insurance Company

## Contract Kit

**Sign and return to your General Agent:  
Questionnaire, FCRA, ACH, W-9, Agreement, and Compliance Manual**

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CONTR-KIT (1215)

# Gerber Life Insurance Company

Please print clearly and complete all questions.

Agents Legal Name: \_\_\_\_\_ Alias/Other Name(s): \_\_\_\_\_

Citizen of the U.S.: ☐ Yes ☐ No (If no, please provide proof of eligibility to work in the U.S.) Date of Birth: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ Home Phone: \_\_\_\_\_

Home Address (Street Address Required): \_\_\_\_\_  
Street/City/State/Zip

Agency/Corp Name: \_\_\_\_\_ Tax ID #: \_\_\_\_\_

Business Address: \_\_\_\_\_  
Street/City/State/Zip

Business Phone: \_\_\_\_\_ Business Fax: \_\_\_\_\_

Business E-mail: \_\_\_\_\_ Personal Email: \_\_\_\_\_

Providing your e-mail and/or fax number and/or engaging in electronic communications, you are consenting to engaging in electronic communications with Gerber Life Insurance Company, unless such consent is expressly revoked.

List states you wish to be appointed: \_\_\_\_\_

Agents are appointed on a Just In Time basis unless a pre-appointment state is requested. If Florida non-resident requested, provide county(ies) you wish to be appointed: \_\_\_\_\_

**Errors and Omissions Insurance Information:** E&O coverage is with \_\_\_\_\_ (Carrier Name), with Limits of \$ \_\_\_\_\_ and a \$ \_\_\_\_\_ Deductible. I will promptly notify Gerber Life Insurance Company of any cancellation or modification of coverage.  
(NOTE: Your signature on this Questionnaire affirms your agreement to maintain Errors and Omissions insurance covering the sales and service of Gerber Life insurance policies.)

**Background Experience:** (Please read and answer each question carefully.)

1. In the past seven (7) years, have you been fined, suspended, placed on probation or had a license revoked, paid administrative penalties, entered into a consent order, been issued a restricted license or otherwise been disciplined or reprimanded, or are you currently under investigation by any insurance department, FINRA, the SEC or any other regulatory authority? . . . . ☐ Yes ☐ No
2. In the past seven (7) years, have you been convicted or plead guilty or nolo contendere (no contest) in connection with any offense, served any probation, paid any fines or court costs, for any offense other than a minor traffic violation? . . . ☐ Yes ☐ No
3. In the past seven (7) years, have you been short in account with any insurance company or employer? . . . . . ☐ Yes ☐ No  
Company Name: \_\_\_\_\_ Amount Owed: \_\_\_\_\_
4. In the past seven (7) years, have you had an application for bond declined? . . . . . ☐ Yes ☐ No
5. In the past seven (7) years, have you filed for bankruptcy? . . . . . ☐ Yes ☐ No

(Provide a separate document with a written explanation and applicable supporting documentation (i.e. court documents, insurance department documents, etc.) for any questions to which you responded "yes." Please be sure to date and sign the written explanations.)

**New York Producers Only:** I have read New York Circular Letter No. 8, dated July 11, 1991, regarding Placement of Health Insurance Coverage with Unlicensed and Unauthorized Multiple Employer Welfare Arrangements, and agree to comply with its contents if applicable.

**All Producers:** I will retain a copy of any written disclosures of compensation provided to purchasers as required by New York regulation or regulation of any other state.

**TO BE COMPLETED BY AGENT**

Set up as: ☐ Individual ☐ Corporation ☐ Both

Agent Name (Print/Type) \_\_\_\_\_

Agency Name (If applicable - Print/Type) \_\_\_\_\_

Agent Signature \_\_\_\_\_

Date Signed \_\_\_\_\_

**TO BE COMPLETED BY UPLINE AGENT (Recruiter, General Agent or Master General Agent)**

Recruiter/GA/MGA Name (Print/Type) \_\_\_\_\_

Recruiter/GA/MGA Signature \_\_\_\_\_

Date Signed \_\_\_\_\_

Agents Direct Reporting Authority \_\_\_\_\_

Direct Reporting Authority's Agent ID \_\_\_\_\_

**Agent Role and Level (check only one):**

☐ Writing Agent Only-Level \_\_\_\_ ☐ Recruiter/Corp Only-Level \_\_\_\_ ☐ Both Writing Agent-Level \_\_\_\_ and Recruiter/Corp – Level \_\_\_\_

# FAIR CREDIT REPORTING ACT DISCLOSURE

Gerber Life Insurance Company will obtain and use consumer reports for the purpose of serving as a factor in establishing your eligibility for contracting and/or appointment as an insurance producer to represent us. We will obtain these consumer reports from:

Business Information Group, Inc.  
PO Box 541  
Southampton, PA 18966

“Consumer Reports” means written, oral or other communication of any information by a consumer reporting agency bearing on your credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living, which will be used by Gerber Life Insurance Company, in whole or in part, for the purpose of serving as a factor in establishing your eligibility to be appointed as an insurance producer for us.

A “Consumer Report” means a credit check, criminal report and report of insurance department regulatory actions will be obtained and reviewed as part of a background investigation in order to determine your eligibility to be contracted and/or appointed with us.

**For Residents of California, Minnesota and Oklahoma:** You have a right to request a copy of the consumer report which will disclose the nature and scope of the report. If you would like to request a copy of the consumer report, please indicate by checking ‘YES’ below.

☐ YES, please provide me a copy of the consumer report.

**For Residents of New York:** You have a right, upon written request, to be informed of whether or not a consumer report was requested. If a consumer report is requested, you will be provided with the name and address of the consumer reporting agency furnishing the report.

## AUTHORIZATION

Gerber Life Insurance Company is hereby authorized to obtain and use a consumer report of my criminal record history, insurance department history and credit history, obtained through any consumer reporting agency or through inquiries with my past or present employers, neighbors, friends or others with whom I am acquainted.

I understand that this consumer report will include information as to my general reputation, personal characteristics and mode of living.

I authorize any consumer reporting agency, insurance department, law enforcement agency, the Financial Industry Regulatory Authority, The Securities and Exchange Commission or any other person or organization having any consumer report records, data or information concerning my credit history, public record information, insurance license, regulatory action history or criminal record history to furnish such consumer report records, data and information to Gerber Life Insurance Company.

I understand that if contracted and/or appointed, this authorization will remain valid as long as I am contracted and or appointed with Gerber Life Insurance Company.

A photocopy of this authorization shall be considered as effective as the original.

**Puerto Rico Agents Only** - Agents First, Middle, First Last Name and Second Last Name \_\_\_\_\_

\_\_\_\_\_  
Agent Name (Print or Type)

\_\_\_\_\_  
Agent Signature

\_\_\_\_\_  
Date

# AUTOMATIC DEPOSIT AUTHORIZATION FORM

**Use this Authorization form for automatic deposits into a CHECKING ACCOUNT.**

I (we) authorize Gerber Life Insurance Company to make direct deposits into the bank account information listed below. I understand that I may cancel this authorization at any time by notifying Gerber Life Insurance Company.

**X**

Signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Agent/Company Name (printed) \_\_\_\_\_

Agent's ID No. \_\_\_\_\_ (if new agent, provide SSN or Tax I.D. number)

Banking Institution \_\_\_\_\_

Type of Account: ☐ Checking ☐ Savings

Address \_\_\_\_\_

Street Address

City

State

Zip Code

Bank Routing No. \_\_\_\_\_ Account No. \_\_\_\_\_

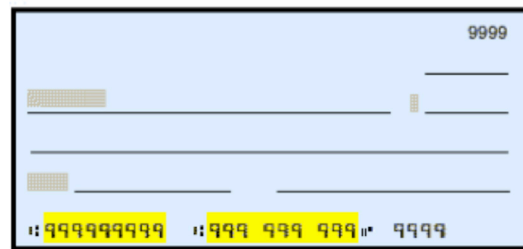
**Ensure that all information has been entered and is accurate.**

If returning kit by mail, use address shown below;

If returning by fax, use number (877) 608-4634

Attn: New Business  
Gerber Life Insurance  
445 State Street  
Fremont, MI 49349

## Check Example



1 - Routing Number  
2 - Account Number

# Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

Print or type See Specific Instructions on page 2.	<b>1</b> Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	<b>2</b> Business name/disregarded entity name, if different from above	
	<b>3</b> Check appropriate box for federal tax classification; check only <b>one</b> of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <b>Note.</b> For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____	<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	<b>5</b> Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	<b>6</b> City, state, and ZIP code	
<b>7</b> List account number(s) here (optional)		

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

<b>Social security number</b>									
				-				-	
<b>or</b>									
<b>Employer identification number</b>									
				-					

## Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.*

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

# Gerber Life Insurance Company

## AGENT AGREEMENT

### PARTIES TO THE AGREEMENT

This Agreement is made and entered into between *Gerber Life Insurance Company*, hereafter referred to as "Company", and \_\_\_\_\_, hereafter referred to as "Agent."

In consideration of the following terms and conditions, this Agent Agreement ("the Agreement") is between Company and Agent effective as of the Effective Date stated on the last page of this Agreement;

The Company hereby appoints the Agent to represent it subject to the following mutually agreed upon terms and conditions.

### I. RESPONSIBILITIES OF THE PARTIES

The Agent Agrees to:

- A. **Licensing.** Obtain, maintain and provide copies of all necessary licenses and regulatory approvals to perform the services under this Agreement.
- B. **Solicit Applications.** Solicit applications for and/ or assist Sub-Agents, if any, in soliciting Company's Products. If the Agent is contracting as an individual, the Agent may solicit applications for Products.
- C. **Service Policyholders.** Agent shall provide service to Agent's policyholders and/or assist Sub-Agents in servicing policyholders. If Agent is contracting as an individual, Agent shall provide service to Agent's policyholders.
- D. **Communication (Recruiters only).** Recruit Sub-Agents, monitor its Sub-Agents and communicate information to Company, of which it is aware or should be aware, that company needs to know about its Sub-Agents to properly address compliance or other risks. When directed by Company, Agent shall communicate Company information to its Sub-Agents.
- E. **Suitability.** Ensure that each proposal or sale of the Company's Products covered by this Agreement which is proposed or made directly by Agent, is appropriate for and suitable to the needs of the insured and the person or entity to whom Agent made the sale, at the time the sale is made, and suitable in accordance with applicable law governing suitability of insurance products.
- F. **Company Policies, Procedures, Processes & Rules.** Comply with all policies, practices, procedures, processes, and rules of Company. Agent shall promptly notify Company if Agent or any of its employees is not in substantial compliance with any Company policy, procedure, process or rule.
- G. **Comply with Laws and Regulations.** Comply with all applicable laws and regulations and act in an ethical, professional manner in connection with this Agreement, including, with respect to any compensation disclosure obligations and any other obligations it may have governing its relationship with its policyholders.
- H. **Remittance of Monies.** Treat any money received or collected for the Company as property held in trust, and promptly remit such money to Company at its administrative office in Fremont, Michigan. Agent shall not commingle any funds received or collected for the Company with its own funds. Agent must report any known violations of this provision.
- I. **Underwriting & Issue Requirements.** Comply with the underwriting and issue requirements of the Company as well as any and all applicable legal requirements of the state or states in which the Agent does business.
- J. **Hold Harmless.** Hold harmless and indemnify the Company from all losses, expenses, costs and damages resulting from any acts by the Agent which breach the terms of this Agreement.
- K. **In Force Policies.** Assist the Company in keeping its insurance policies in force.
- L. **Error & Omissions Insurance.** Have and maintain Errors and Omissions liability insurance coverage on Agent and Agent's employees during the term of this Agreement, in an amount and nature, and with such carrier(s) or on a self-insured basis, satisfactory to Company, and to provide evidence of such insurance to Company upon request.
- M. **Document & Money Delivery.** Adhere to all Company requirements including those related to policy application, illustration (if any), and delivery of policies and the forwarding of any premium collected once a policy is approved. Agent will also ensure that Sub-Agents, if any, are aware of and adhere to all Company requirements.
- N. **Product Familiarity.** Be familiar with all provisions and benefits under each Product offered by the Company for which Agent solicits applications and representing such Product accurately and fairly to prospective purchasers.
- O. **Training.** Participate in training to ensure that Agent is familiar with all provisions and benefits under each Product offered by the Company and representing such Products accurately and fairly to prospective purchasers. Agent will train Sub-Agents, if any, so that Sub-Agent is familiar with all provisions and benefits under each product offered by the Company and representing such products accurately and fairly to prospective purchasers.
- P. **Notice of Potential, Threatened or Actual Legal Action.** Notify Company within five (5) business days of notice of potential, threatened, or actual litigation or any regulatory inquiry or complaint with respect to this Agreement or any Product. Notice shall comply with the notice provision set forth in section XII of this Agreement. Company shall have final decision making authority to assume the administration and defense of any such action. A copy of the correspondence or document received shall accompany each notice.
  1. Agent shall cooperate with the Company in preparing responses to any litigation or regulatory inquiry, as directed by the Company.

- Q. **Provide Information to Policy Holders.** Upon request of Company, Agent shall deliver to its policyholders any information that Company provides to Agent for the purpose of fulfilling Company's obligation to provide such information to the policy holder.
- R. **Information on Privacy Practices.** Maintain up-to-date information as to the Company's privacy practices and ensure that it and its agents, if any, are in compliance at all times.
- S. **Company Logo & Trademarks.** Use the Company's logo and/or trademarks only as authorized by the Company.
- T. **Maintain Records.** Maintain complete and accurate records for actions taken pursuant to this Agreement.

The Company Agrees to:

- A. Appoint individuals as agents or licensees provided that such individual meets Company's guidelines for appointment. Company will pay the appointment fee(s) for the Agent's state of residence. Agent is responsible for paying all other appointment fees unless waived by Gerber Life. Renewal fees will only be paid if Agent has met the minimum production requirements set by Company. However, Agent acknowledges that such appointment may be terminated, with or without cause, at the Company's discretion.

## II. LIMITATION OF AUTHORITY

The Agent has no authority and specifically agrees not to:

- A. Bind the Company to any promise or agreement; incur any debt, expense or liability whatsoever in the Company's name or for its account; or receive any money due or to become due to Company, except the initial premium in connection with applications or policies, subject to the Company's requirements for the acceptance of such premium.
- B. Deliver any policy or allow delivery of any policy until the initial premium required by the Company has been paid in full. The Agent shall ask the policyholder if the policyholder is in the same condition as to health, habits, occupation and other facts as represented in the application for this policy. If the policyholder indicates that a change has occurred with respect to any such conditions or other facts, the Agent or its Sub-Agents, if any, shall not deliver the policy, and the Company shall be informed of such change.
- C. Make, modify, or change any insurance contract, or bind the Company by making any promises respecting any insurance contract except when authorized in writing to do so by the President or a Vice President of the Company.
- D. Use any material, including but not limited to all written material or audio or video tapes, to solicit a sale of any of the Company's products, regardless of whether the Company's name is on such material, without written approval of the material by the Company.
- E. Extend the time for payment of any premium or waive any premium, or bind Company to reinstate any terminated contract.
- F. Institute or file a response to any legal or regulatory proceeding on behalf of Company in connection with any matter pertaining to this Agreement or any Product, without Company's prior written consent.
- G. Engage in the systematic replacement of any insurance products, including the replacement of Company Products. Consistent with applicable law, Agent shall make necessary inquiries to each applicant for a Company Product as to any insurance already in effect for the applicant and, upon determination that a prospective sale involves the replacement of existing coverage, Agent shall furnish the applicant with and effect proper execution and retention of any replacement notices and information as required by applicable law.
- H. Misrepresent or induce any other Agent to misrepresent any provision, benefit, or premium of any Product.
- I. Take any action adverse to the interests of the Company.
- J. Provide, whether directly or indirectly, an inducement to any person to purchase a Product from the Company, a rebate of premiums, or any other inducements not provided for within the applicable contract.
- K. Contract or incur any debt or liability on behalf of, or in the name of, the Company.
- L. Agree to share commissions or other compensation with persons who are not licensed, contracted and/or appointed by the Company.
- M. Solicit applications in states or territories in which the Company and/or Agent and Sub-Agents, if any, is not authorized to do business.
- N. Conduct business in a state or territory in which Agent and/or its Sub-Agents, if any, has not been appointed by Company and/or licensed by the appropriate regulatory agencies.
- O. Approve evidence of insurability and/or make insurability determinations.
- P. Accept liability on behalf of the Company.
- Q. Introduce, amend, or terminate any Company rules or procedures without written consent of the Company.
- R. Settle claims on behalf of the Company.
- S. Agent and/or its Sub-Agents, if any, agrees that it will not sell or participate in the sale of Company Products to any person if they know or have reason to believe that such sale is being made, in whole or part, for the purpose of resale or to otherwise transfer any of the rights of ownership or benefits under the policy directly or indirectly to a third party. Agent and/or its Sub-Agents, if any, will not endorse, promote, encourage or participate in the sale of Company Products with the intention or expectation of effecting life settlements or otherwise directly or indirectly creating or transferring any rights of ownership or benefits in whole or part to a person who is not related to the insured or does not have a pre-existing insurable interest under state law. Agent and/or its Sub-Agents, if any, will promptly notify Company of any sale or prospective sale of a Company Product if Agent discovers, is notified, or has a reasonable basis to suspect that Company Products are being purchased with the intention or expectation of resale or other direct or indirect transfer, in whole or in part, of any rights or benefits of the purchaser or any beneficiary. Agent and/or its Sub-Agents, if any, acknowledges that the use of financing to purchase a Company Product may be a reasonable basis to suspect that a purchase is being made with the intention or expectation of resale or transfer.



### III. COMPLIANCE/MARKET CONDUCT

- A. The Agent agrees that it will allow the Company to review all sales programs, techniques, and methods, including all material shown to or provided to an applicant or client, which are used in the solicitation or servicing of the products produced by the Company.
- B. The Agent shall advise the Company of any action or complaint by a state department of insurance or other regulatory agency relating to the Agent and/or its Sub-Agents, if any, in connection with products produced by the Company or involving allegations of dishonesty or similar allegations and shall provide the Company copies of all correspondence relating to such action or complaint unless Agent is precluded from doing so by state or federal law, regulation or rule or any order of any official of any state or federal agency. The Agent will cooperate with the Company in the investigation of any inquiry or complaint addressed to the Company by any individual or any state or federal agency. Cooperation shall consist of preparation of written responses addressing the issues raised in the inquiry or complaint as well as providing the Company with a copy of all applicable marketing materials.
- C. **Anti-Money Laundering (AML).** Agent and/or its Sub-Agents, if any, will comply with all applicable provisions of the U.S. Patriot Act and other policyholder identification, anti-money laundering, anti-terrorism and similar laws and regulations. Agent and/or its Sub-Agents, if any will, upon request, provide the Company with such certificates of compliance.
  - 1. Agent and its Sub-Agents, if any, agree that its employees and agents who are appointed with Company will complete LIMRA's AML training, or such training approved in advance by Company in writing, concerning the detection, prevention and reporting of money laundering and terrorist financial activities, when and as required by Company.
  - 2. Agent and/or its Sub-Agents, if any, agree to report to Company any transaction, or pattern of transactions, that it knows or suspects, or has reason to suspect would be a violation of any Federal, State or local regulations of AML.

### IV. COMPENSATION

- a. **For Each Product.** Agent's compensation depends on the particular Products sold. Compensation for each Product will be as specified in the Compensation/Product Schedules.
  - 1. Compensation/Product Schedules may be changed by the Company at any time and may be distributed to Agent.
- b. **Contingencies.** In addition to any conditions imposed in the Compensation/Product Schedules and any amendments, no compensation is earned until:
  - 1. Agent and/or its Sub-Agents, if any, is licensed and appointed in accordance with laws and Company procedures,
  - 2. The Product is actually issued, delivered to and accepted by the policyholder, and
  - 3. The initial premium for the Product is paid to the Company.
- c. **Compensation After Termination.** Agent and/or its Sub-Agents, if any, is not entitled to any compensation after the Termination Date of this Agreement, except for:
  - 1. Vested Compensation; and
  - 2. Any net credit balance in Agent's account for compensation earned as of the Termination Date.
- d. **Forfeiture.** Agent and/or its Sub-Agents, if any, will forfeit all rights to received compensation, including Vested Compensation, if, in the sole reasonable discretion of Company, Agent and/or its Sub-Agents, if any, commits any of the following acts:
  - 1. Breaches any material provision of this Agreement while in effect or any material obligation that survives termination of this Agreement.
  - 2. Commits a fraudulent or illegal act in connection with any activities contemplated under this Agreement.
  - 3. Does any act which results in the suspension or revocation of Agent's insurance license.
- E. **Replacement Compensation.** If Agent and/or its Sub-Agents, if any, replaces existing Company Products in whole or in part, the Compensation Schedule is inapplicable and Company, in its sole discretion, shall determine what, if any compensation shall be payable in accordance with Company's procedures in effect at the time of the replacement.
- F. With respect to the Guaranteed Life the following special rules shall apply:
  - a. If the insured dies within the first policy year for any reason other than an accidental death as defined in the policy, 100% of the compensation paid shall be returned to Company.
  - b. If the insured dies within the second policy year for any reason other than accidental death as defined in the policy, 50% of the compensation paid shall be returned to Company.
  - c. Policy year is defined as the 12 months following the date that a policy becomes effective.
- G. In some instances, Agent's compensation will be paid by his or her General Agency. In those cases Gerber Life will not be responsible for any payments due Agent.
- H. Compensation will be characterized as either first year or renewal compensation and may vary based on Face Amount (FA).
  - a. First year compensation will be based on a percentage of the product premium actually collected by Company in the first policy year. It will consist of Commissions and Expense Reimbursement Allowance.
  - b. Renewal compensation will be based on a percentage of the product premium collected by Company in policy years 2, 3, 4, and 5.
  - c. Collected premium refers to US Dollars actually paid to Company.



- d. Policy year refers to the 12 months following the date that a policy becomes effective.
- I. Compensation will not be paid for any policy while such policy is in lapse or paid-up status.
- J. Compensation will only be paid on collected premium.
- K. The Agent agrees to pay its writing agents no more than the maximum "Writing Agent Compensation" which is expressed as a percentage combination of First Year Compensation and First Year Expense Allowance.

## V. COMPENSATION ADMINISTRATION

- A. **Accounting.** Company will account to Agent for payable compensation based upon initial and renewal premiums received and accepted by Company for policies issued by it upon applications submitted by or through Agent. Company may assume control of the Agent's and/or its Sub-Agents, if any, account for a reasonable period of time to ensure that funds are available to reimburse the Company for any Indebtedness, and the Agent and/or its Sub-Agents, if any, shall fully cooperate with the Company in facilitating this transaction including, but not limited to, the execution of any and all documents required for such transfer of control.
- B. **Statement of Account.** The Company shall furnish the Agent with a statement of account at such intervals as determined by the Company but no less frequently than on a bi-monthly basis. Such statement shall be complete and conclusive evidence of accounts between the parties to this Agreement, and shall be binding on the Agent and/or its Sub-Agents, if any, unless objection is made in writing by the Agent and/or its Sub-Agents, if any, and received by the Company within 60 days after the statement is mailed by the Company, notwithstanding the limitation on compensation actions in Section V.F. In addition, Company will promptly deliver to Agent copies of all correspondence, including but not limited to lapse notices between Company and policyholders or former policyholders solicited under this Agreement.
- C. **Effect of Return of Premium.** Except where provided on a Compensation/Product Schedule, if any premiums shall be returned by Company on any policy or contract, or should Company become liable for the return thereof for any cause either before or after the Termination Date, Agent shall pay to Company all Compensation previously paid or credited to Agent's account on such returned premiums.
- D. **Set-Off.** Company is authorized to set-off and apply any and all amounts due to Agent and/or its Sub-Agents, if any, from Company under this Agreement to any and all obligations or Indebtedness of Agent or its employees, Sub-Agents, Other Agents or affiliates to Company or its affiliates. This right of set-off does not require Company to make any prior demand upon Agent, and the right exists irrespective of whether the obligations of Agent or its affiliates are contingent or unmatured. The rights of Company under this section V.D. are in addition to any other rights and remedies which the Company may have under this Agreement or otherwise.
- E. **Interest.** Interest will accrue on any amount due under this Agreement, which has not been paid within 30 days of receipt of written demand for such amount at the rate of one percent per month, or the highest rate permitted by law, whichever is lower.
- F. **Limitation of Compensation Actions.** Any claim by Agent and/or its Sub-Agents, if any, regarding compensation must be brought within one year from the date the compensation was reported on an accounting issued from Company to Agent. Any claim regarding compensation must be brought against the company which issued the Compensation/Product Schedule to which the claim relates, or against the legal successor or assign of such company.
- G. **Payment.** Compensation will be paid at least bi-monthly to Agent and/or Upline for distribution to agent(s).
  - a. If the amount due (with any adjusting entries) to Agent is less than \$25.00, the amount will be carried over to the next payment period.
  - b. At the end of the calendar year, Company will reconcile its accounts and pay any amount owed.

## VI. INDEBTEDNESS

- A. We may offset, against any sums due or becoming due to you under this or any other Agreement between you and Gerber Life Insurance Company, any monies owed to the Company by you arising from this or any other Agreement between you and the Company. A first lien is hereby reserved to the Company for the satisfaction of any such debt or liability.
- B. The Company may at its discretion require immediate payment of any indebtedness to the Company upon demand.
- C. After termination of this Agreement, any monies owed to the Company under the terms of this Agreement shall immediately be payable to the Company. Any debt unpaid within thirty (30) days thereof shall accrue interest at the legal rate.
- D. You shall be responsible for all reasonable expenses and attorney's fees incurred by the Company in any proceedings required to collect any monies owed to the Company by you as well as interest on such monies at the legal rate.
- E. No assignment of this Agreement or of compensation earned or accrued shall be valid unless authorized in advance in writing by the Company. Any assignments so authorized shall be subject to any and all indebtedness of Agent to the Company.

## VII. GENERAL PROVISIONS

- A. Company shall retain the right to decide whether to issue or withdraw a Product and determine the type of Product to be issued or withdrawn. Company may discontinue or change a Product at any time.
- B. The producer of record for any Product shall be determined by Company records. Company reserves the right to change the producer of record according to Company procedures and shall have no obligation to designate a successor producer of record.
- C. No assignment of this Agreement or any rights under this Agreement shall be binding on the Company without its written consent, and any such assignment shall be subject to offset or recoupment for any money due the Company by the Agent as provided for in this Agreement.

- D. The Company shall make available at its home office within thirty (30) days of Agent's written request, all records related to business placed with the Company by the Agent or its authorized representative. The Company or its authorized representative may perform periodic written reviews and/or audits of all records of the Agent related to business placed with the Company by the Agent and/or its Sub-Agents, if any, which records shall be maintained for a minimum of seven (7) years. Company shall give Agent thirty (30) days written notice of such reviews and/or audits.
- E. The Agent and/or its Sub-Agents, if any, shall not have exclusive rights of distribution for any product issued by the Company or for any geographic territory.
- F. The Agent shall be solely liable for the expenses of operating and maintaining the Agent's agency without contribution from the Company.
- G. The Agent and/or its Sub-Agents, if any, are an independent business person and shall be free to exercise independent judgment as to the time and place of performing all acts under this Agreement. The Agent and/or its Sub-Agents, if any, are free to represent other insurance companies as the Agent and/or its Sub-Agents, if any, sees fit. In all respects, the relationship of the Agent and/or its Sub-Agents, if any, to the Company shall be that of an independent contractor and not an employee of the Company.
- H. The failure of either party to enforce any of the provisions of this Agreement shall not constitute a waiver by that party of any such or other provisions of the Agreement.
- I. This Agreement shall replace any and all previous contracts between the Agent and the Company.
- J. This Agreement will be governed by and construed in accordance with the laws of the State of New York, without giving effect to its conflict of laws principles and rules. Jurisdiction over any matters of dispute arising under or by virtue of the Agreement shall rest exclusively in either the state courts of the State of New York or the federal courts having jurisdiction over the State of New York.
- K. This Agreement constitutes the entire agreement between the parties regarding the Products sold under this Agreement.
- L. In the event any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in effect.
- M. Any section or other heading contained in this Agreement is for reference purposes and convenience only and shall not affect, in any way, the meaning and interpretation of this Agreement.

#### **VIII. SOLE AND EXCLUSIVE PROPERTY**

- A. All reports, training materials, manuals, and records, including computer-related materials (such as CD's, disks, tapes, cassettes, etc.), containing sales and/or product information, illustration software, etc., are and shall remain the sole and exclusive property of the Company, subject to inspection and review by the Company at any and all times.
- B. The Agent and/or its Sub-Agents, if any, agree to surrender the above items, and any and all copies thereof, to the Company immediately upon demand or upon termination of this Agreement.
  - 1. The Agent and/or its Sub-Agents, if any, further agrees not to take or copy any forms, policies, manuals, policy owner lists, CDs, diskettes, tapes, cassettes, or other materials which are the property of the Company. The Agent and/or its Sub-Agents, if any, also agrees to return all licenses, monies, policies, manuals, books, papers, sales materials, reports, records, forms and all other property of the Company then in his/her charge and control.
- C. Without regard to the terms of this section VIII, Agent shall have the right to retain and use client information Agent and/or its Sub-Agents, if any, receives from its clients.

#### **IX. TERMINATION IN GENERAL**

- A. This Agreement, along with any and all riders, supplements, schedules, amendments, or endorsements to the Agreement, along with any license or appointment of the Agent and/or its Sub-Agents, if any, by the Company, may be terminated thirty (30) days after written notice is provided by the Company or the Agent, in person or to the last known address of the party to be notified.
- B. This Agreement, along with any and all riders, supplements, schedules, amendments or endorsements to the Agreement, along with any license or appointment of the Agent and/or its Sub-Agents, if any, by the Company, will terminate immediately upon the termination of the Agreement with the Agent or upon the death of the Agent.
- C. Automatic Termination will occur without notice in the case of the following:
  - 1. Agent's loss of a valid resident insurance license; or
  - 2. Agent's dissolution.
- D. Any terms of this Agreement which by their nature extend beyond its termination, except as specified in Section VIII, shall remain in effect until fulfilled.

#### **X. TERMINATION FOR CAUSE**

- A. The Company, at its option, may terminate this Agreement at any time immediately upon written notice and for cause if the Agent engages in any act of fraud, misappropriation or mishandling of funds, or any other misconduct, violates any of the terms of this Agreement, fails to pay a debit balance on demand, violates any state insurance law or regulation, or misrepresents Company's products or its financial condition.
- B. Further, the Company, at its option, immediately upon written notice, may terminate this Agreement for cause or may permanently discontinue payments made pursuant to this Agreement after termination, if Agent and/or its Sub-Agents,

if any, at any time, (a) takes any action or sanctions any action which results in a pattern of cancellation, lapse, replacement or surrender of Company's policies; or (b) endeavors to induce representatives to discontinue their contracts or appointments with Company.

#### **XI. PAYMENTS AFTER TERMINATION**

- A. In the event that this Agreement is terminated due to the death of the Agent, any compensation accruing after the date of termination will be paid, subject to Sections V, IX and X. Above, in the following order of preference:
  - 1. The spouse of the Agent if he or she survives the Agent by more than thirty (30) days; or
  - 2. The Agent's estate, executors or administrators.
- B. If this Agreement is terminated for cause in accordance with Section X, all future and current compensation due Agent shall be forfeited, notwithstanding Section IV.c.

#### **XII. INDEMNITY AND HOLD HARMLESS**

- A. Each party shall indemnify and hold the other party harmless from any liability, loss, costs, expenses (including reasonable attorneys' fees incurred by the indemnified party) or damages, including punitive and extra-contractual damages, resulting from any act or omission of its obligations provided in this Agreement by the indemnifying party or any of its employees or other Agents in the performance of its duties under this Agreement or other agreements with Company, including without limitation, any breach of its obligations provided under this Agreement.

#### **XIII. PRIVACY**

- A. Company, Agents and/or its Sub-Agents, if any, acknowledges that they may be provided with information or access information about consumers of Company, Agents and/or its Sub-Agents, if any, (Consumer Information). All parties agree to comply with all federal, state and/or local law or regulation related to privacy. Furthermore, each party represents and warrants that it has implemented and currently maintains an effective information security program to protect the Consumer Information, which program includes administrative, technical, and physical safeguards;
  - 1. To ensure the security and confidentiality of Consumer Information;
  - 2. To protect against any anticipated threats or hazards to the security or integrity of such Consumer Information; and
  - 3. To protect against unauthorized access to or use of Consumer Information which could result in substantial harm or inconvenience to either party, or to consumers of any of them.
- B. If Agent and/or its Sub-Agents, if any, has a breach of security that requires notice to an individual under applicable state laws, Agent and/or its Sub-Agents, if any, will also provide Company with a copy of such notice at the same time it is sent to such individual in accordance with the Notice provisions of this Agreement.

#### **XIV. NOTICE**

- A. Notice, as required by the terms of this Agreement, shall be provided in writing and mailed via certified mail to the following:

**For the Company:**

Gerber Life Insurance Company  
Attn: General Counsel  
1311 Mamaroneck Avenue, Suite 350  
White Plains, NY 10605

**For the Agent:**

As indicated on the Questionnaire

#### **DEFINITIONS**

The following terms have the following meanings. Any singular word shall include any plural of the same word.

- A. **"Authorized Representative"** means the Chief Executive Office or President of a company or an individual authorized in writing by the Chief Executive Office or President.
- B. **"Compensation/Product Schedule"** means the Company's distributed compensation schedule that (a) specifies the amounts and conditions under which commissions will be due and payable to Agent for any Product and (b) is made a part of this Agreement.
- C. **"Indebtedness"** means any amounts owed by Agent to Company, including but not limited to (a) the chargeback of any compensation paid or credited to Agent under this or any other agreement, if the monies on which such compensation was based are not collected or are refunded by the Company, (b) any advances made by Company to Agent, (c) any expenses incurred by the Company on behalf of Agent, and (d) any amount paid by the Company, which in its determination resulted from fraud, misrepresentation or other improper conduct by the Agent.
- D. **"Other-Agent"** means any individual or organization, which (a) enters into a general agent, representative or other marketing agreement with Company and (b) submits Product applications that designate Agent.
- E. **"Sub-Agent"** means any individual or organization which enters into an agreement with Agent to distribute, market or submit Product applications for Company Products.
- F. **"Product"** means any insurance policy, contract, investment vehicle or other offering identified in any Compensation/Product Schedule.

- G. **"Termination Date"** means the later to occur of (a) the date on which Agent or Company sends written notice of termination to the other party, or (b) the date specified by Agent or Company in a written notice of termination to the other party.
- H. **"Vested Compensation"** means compensation identified as vested on a Compensation/Product Schedule and that may be paid to Agent after the Termination Date provided: (a) the policy related to the Product remains in force, (b) the premiums for the policy are paid to Company, and (c) if Agent is the writing agent, Agent remains the producer of record.

**PLEASE PRINT OR TYPE**

This agreement will have no force or effect unless countersigned below by an authorized Officer of the Company.  
In consideration of the covenants in this Agent Agreement, it is agreed and accepted to by:

\_\_\_\_\_  
Agent Name (Print or Type)

\_\_\_\_\_  
Agent Signature

\_\_\_\_\_  
Entity Name (Print or Type)

\_\_\_\_\_  
Principal Signature

\_\_\_\_\_  
Date

**Home Office Use**

Signature of Gerber Life Insurance Company Officer *David Fier*

This contract shall take effect on \_\_\_\_\_ and subsequent contract years shall begin with the anniversary of this date.

Agent Number \_\_\_\_\_



**Gerber Life  
Insurance Company**

# **Agent Compliance Manual**

**Revision Date: 12/21/2015**

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AGT-COMPL (0515)

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# GERBER LIFE'S COMPLIANCE COMMITMENT

Gerber Life is committed to fair and ethical sales practices for all its customers. Gerber Life is also committed to complying with applicable laws and regulations. Gerber Life will maintain and enforce policies and procedures to reasonably assure compliance, including systems for communicating all company requirements and monitoring sales practices. Agents appointed by Gerber Life are expected to uphold these principles and guidelines as set forth in the manual and other communications issued by Gerber Life. A violation of these guidelines by an agent will result in disciplinary action including, if appropriate, termination of the relationship with the company.

## WHY IS COMPLIANCE IMPORTANT?

To put it simply, compliance means doing the right thing. It means serving the client ethically and honestly, presenting products accurately, and following our rules as well as federal and state requirements. The scrutiny being placed on both agents and insurance companies is intensifying in the wake of lawsuits that are being filed and multi-million dollar fines that are being imposed.

That is why it is critical for the agent to become familiar with federal and state regulations as well as the compliance requirements of Gerber Life.

## ETHICAL PRINCIPLES

Gerber Life is committed to high standards of ethics and integrity, and Gerber Life will continue to hold itself to these standards every day.

***Ethics*** – A set of principles of right conduct  
***Integrity*** – Adherence to a strict ethical code

## ANTITRUST AND COMPETITION LAWS

Antitrust and competition laws are designed to protect consumers by preserving competition in the marketplace. To preserve competition, prices must be set honestly, independently, and without agreements between competitors.

In conducting company business, all agents must engage in fair competition. Fair competition means that the company and its agents will not use tactics that unfairly hurt competitors or consumers. In particular, agents must provide only information that is factually accurate and must avoid withholding information that is clearly relevant to the client's decision to buy an insurance product. To this end, agents must not engage in (i) making disparaging remarks about competitors; or (ii) anti-competitive or unfair or deceptive trade practices.

Gerber Life prides itself on selling its products based on their qualities, not by manipulating, concealing, or disparaging its competitors or their products or services. Our agents should not provide untrue, unsubstantiated, or non-public information about a competitor to any client or other party in order to gain a business advantage.



## INSURANCE FRAUD

Fraud occurs when someone misrepresents information or deceives someone in order to obtain a monetary benefit or harm another person.

Fraud can be committed in a number of ways and by a number of different people, including clients, employees, agents, or other third parties. Everyone must do their part to prevent fraud and report any suspected fraudulent behavior to the Gerber Life Compliance Department at: [glic-compliance@us.nestle.com](mailto:glic-compliance@us.nestle.com) (Only use this email address as directed)

### Examples of Fraud may include:

- Theft of Gerber Life or customer funds.
- Falsification or the intentional omission of information on a claim form or policy application.
- Deception of customers in connection with the sale of Gerber Life's products.

Gerber Life has made Anti-Fraud training available to agents on the portal.

## USA PATRIOT ACT

The USA PATRIOT Act was enacted to combat terrorism financing and detect and prevent money-laundering activities. Under the USA PATRIOT Act, financial institutions, including life insurers, are required to establish anti-money laundering policies and procedures.

Some suspicious activities which indicate that a transaction may not reflect a legitimate business purpose include:

- The purchase of a single lump sum contract by a customer whose previous product experience is with smaller, regular payment products;
- Payment for contracts with a third-party check;
- A customer who shows no concern for the product performance, but much concern for the surrender or early cancellation of the contract;
- Payments by cash, when this type of business transaction would normally be handled by check or other payment instructions;
- Lump sum payments with foreign currency or foreign wire transfer;
- Purchases beyond customer's apparent means;
- Purchases where the source of funds is unclear;
- Borrowing from a single premium policy shortly after paying for the policy;
- Early cancellation of a single premium policy; or
- Payments made by checks or money orders from multiple bank accounts.

## ANTI-MONEY LAUNDERING

*Money laundering is the illegal practice of placing money gained from criminal activity through a series of apparently legitimate transactions in order to hide the criminal origin of the money and make the money appear to be from legitimate sources. Money laundering laws not only prohibit active participation, but also prohibit passive participation in a laundering scheme. Therefore, it is imperative that agents truly know their customers and their objectives. Agents that participate passively or actively in a money laundering scheme may be fined*

*and/or face criminal charges.*

Gerber Life is committed to preventing money laundering when conducting our business. It is important that everyone is aware of money laundering “red flags” and that the agent reports any potential money laundering activities to Compliance.

All newly hired agents must receive anti-money laundering training within 90 days of the date of hire and annually thereafter.

## OBTAINING PROPER LICENSING AND APPOINTMENTS

It is the agent’s responsibility to secure and keep in effect any licenses, registrations, and appointments required to represent Gerber Life. Since each state has its own licensing requirements, the agent must abide by the statutes and regulations in each state where they are doing business. State laws require, at a minimum, all agents to be licensed and to have appropriate lines of authority in the state where the sale, solicitation, or negotiation takes place.

**Activities that require a license include, but are not limited to:**

- Recommending a particular type of insurance policy or insurer;
- Collecting premium in any manner;
- Explaining coverages and benefits to prospects;
- Quoting rates;
- Taking an application for insurance from a prospect;
- Attempting to sell insurance;
- Conferring directly with or offering advice regarding a particular contract concerning benefits, terms, or conditions of the contract to a prospect.

## ADVERTISING AND SALES MATERIALS

Gerber Life is committed to ensuring that all advertising materials used to promote our products meet the criteria required by statute, regulation, and the company’s internal standards. Gerber Life is also committed to protecting its assets, which include service marks, trademarks, trade secrets and copyrights.

- Compliance with Gerber Life’s guidelines includes requesting a review and approval of agent-created websites and advertising materials that refer to or represent the Gerber Life products.
- Any use of Gerber Life’s logo, company information, product/plan rates on a website must be submitted to Gerber Life’s Legal/Compliance Department for review and approval before use.
- All Producer-created advertising materials must be submitted to Gerber Life’s Legal/Compliance Department for review and approval before use.
- All Gerber Life product training materials must be submitted to Gerber Life’s Legal/Compliance Department for review and approval before use.

**This includes, but is not limited, to any use of the following regarding Gerber Life products:**

- Agent created websites
- Email and Scripts

- Use of Rate Cards with Third Party Vendors
- Postings on Social Media such as:
  - Facebook
  - Twitter
  - MySpace
  - LinkedIn
  - Any URLs

**Please send the materials, links or screen shots you would like to use to Gerber Life Insurance Company for Compliance review and approval to:**

**[gerberlifeagencysales@us.nestle.com](mailto:gerberlifeagencysales@us.nestle.com) (Only use this email address as directed)**

**Gerber Life's Definition of Advertising:**

- (1) "Advertisement" means material designed to create agent and public interest in life insurance or annuities or in an insurer, or in an insurance producer; or to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy including:
  - (a) Printed and published material, audiovisual material, and descriptive literature of an insurer or insurance producer used in direct mail, newspapers, magazines, radio and television script, billboards and similar displays;
  - (b) Descriptive literature and sales aids of all kinds, authored by the insurer, its insurance producers, or third parties, issued, distributed or used by the insurer or insurance producer; including but not limited to: all electronic communications – web chat, e-mail, social media, text messages, circulars, leaflets, booklets, web pages, depictions, illustrations and form letters;
  - (c) Material used for the recruitment, training and education of an insurer's insurance producers which is designed to be used or is used to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy;
  - (d) Prepared sales talks, presentations and materials for use by insurance producers.
- (2) "Advertisement" shall not include:
  - (a) Communications or materials used within an insurer's own organization and not intended for dissemination to the public;
  - (b) Communications with policyholders other than material urging policyholders to purchase, increase, modify, reinstate or retain a policy;
  - (c) A general announcement from a group or blanket policyholder to eligible individuals on an employment or membership list that a policy or program has been written or arranged; provided the announcement clearly indicates that it is preliminary to the issuance of a booklet explaining the proposed coverage.

Advertising provided by Gerber Life is already approved by the company. Any change or modification to advertising supplied by Gerber Life must also be approved by Gerber Life's Legal/Compliance Department.

## PROVIDING FULL DISCLOSURE

The agent is required to fully disclose, both to the consumer and to the company, all information that may affect any coverage. Failure to provide full disclosure to the consumer may result not only in loss of benefits for the consumer, but cancellation or rescission of the contract. Full disclosure also means disclosing that the agent is acting as an insurance agent on behalf of Gerber Life, and clearly identifying that the products being offered are insurance products. It is critical that the agent makes sure that the consumer clearly understands the product they are purchasing.

In addition, a number of states have enacted specific laws and regulations prohibiting the use of “senior-specific” certifications or professional designations that indicate or imply in such a way as to mislead a consumer. No agent shall have special certification or training in advising or providing services to seniors in connection with the solicitation, sale, or purchase of life insurance or in the provision of advice as to the value of or the advisability of purchasing or selling a life insurance policy, either directly or indirectly, through publications or writings, or by issuing or creating reports related to a life insurance policy.

No agent may use the terms “financial planner”, “investment advisor”, “financial consultant”, “financial analyst”, “financial counselor”, or other similar terms to imply that the agent’s compensation is unrelated to insurance sales. However, this will not preclude an agent who holds a formally recognized financial planning or consultant designation from using their designation when selling insurance.

### **NY Only – Regulation 194 – Producer Compensation Disclosure:**

New York requires agents to provide a compensation disclosure to the person purchasing an insurance policy. This disclosure is required to be made at or prior to the time of application, and may be required at a later date as well. The disclosures must include, but is not limited to: the agent’s role, who the agent will receive compensation from, the factors which may cause the compensation to vary and the nature, amount and source of the compensation.

If the compensation was not known at the time of disclosure, then the Agent selling the policy must provide a disclosure regarding circumstances that may determine the compensation and an estimate of the potential compensation.

The Agent must not make any contradictory statements regarding the compensation disclosures or any statements regarding the sale that the Agent knows are not accurate.

The agent is required to retain a copy of any written compensation disclosures provided to a customer from the date of the disclosure for at least three years.

For complete information as to when the disclosures must be provided and the information each disclosure must contain please read New York Regulation 194.

## REPLACEMENTS

Gerber Life accepts applications for life insurance replacements in certain circumstances. The agent must make themselves aware of these circumstances before accepting an application that indicates that it is a replacement.

Depending on circumstances, a replacement may or may not be in the best interest of a client. The Agent has the responsibility to make sure that the client has all of the necessary facts in order to determine if the replacement is in his or her best interest. A replacement may be in the client's best interest if:

- The benefit amount can be increased for the same or similar premium;
- The contract can remain in force longer for the same or similar premium;
- The accumulation value will increase for the same or similar premium;
- The premium payment period is shorter for the same or similar premium;
- The customer can purchase the same benefits for a lower premium.

Comparisons between an existing product and a proposed product must accurately and fairly describe the contracts' provisions and values. The agent should discuss the advantages and disadvantages of any potential replacement with their client. The following points should be addressed:

- Any required evidence of insurability;
- The contestability and suicide provisions of the existing and proposed contract;
- The loan provisions and loan interest rate of both contracts;
- Any surrender charges and/or expense fees associated with both contracts;
- The premium requirements of the proposed contract;
- The present and future values of both contracts;
- The current interest and mortality charges of both contracts;
- The potential tax treatment of the replacement and whether the replacement can qualify as an Internal Revenue Code Section 1035 exchange.

The definition of replacement goes beyond the surrender of one contract and subsequent purchase of another contract. All agents should be aware of all transactions that could be considered a replacement. For example, a replacement may occur when a contract has been or is to be:

- Lapsed, forfeited, surrendered, or otherwise terminated;
  - The law does not provide any specific time frame as to when an existing policy is lapsed or surrendered to put a new policy into a replacement situation.
  - You are encouraged to ask the applicant whether he/she might have had any life insurance that was allowed to lapse or that was surrendered because of the applied for policy. If the answer is yes then a replacement has occurred.
- Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced by the use of non-forfeiture benefits;
- Reduced in value through a withdrawal or partial surrender;
- Reissued with a reduction in cash value;
- Pledged as collateral or subjected to borrowing where the aggregate loan exceeds a state specified percentage of the loan value of the existing contract;

Amended by reducing or eliminating ancillary benefits, such as waiver of premium or accidental death benefits a replacement can be internal or external. An internal replacement occurs when an existing contract is exchanged for a new contract from the same insurer. Gerber Life Insurance Company does not permit internal replacements. An external replacement occurs when a contract is replaced by another insurer. Only the agent and the client can decide if the replacement is suitable. When a replacement is appropriate, be certain to use appropriate disclosure forms.

## UNFAIR AND DECEPTIVE ACTS

The following are considered unfair methods of competition and unfair and deceptive acts or practices in the business of insurance, and are not permitted by Gerber Life.

(1) **Twisting.** Knowingly making any misleading representations or incomplete or fraudulent comparisons or fraudulent material omissions of or with respect to any insurance policies or insurers for the purpose of inducing, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert any insurance policy or to take out a policy of insurance in another insurer.

(2) **Churning.** Taking or using policy values in an existing life insurance policy or annuity contract, including, but not limited to, cash, loan values, or dividend values, and in any riders to that policy or contract, are directly or indirectly used to purchase another insurance policy or annuity contract with that same insurer for the purpose of earning additional premiums, fees, commissions, or other compensation:

- (i) Without an objectively reasonable basis for believing that the replacement or extraction will result in an actual and demonstrable benefit to the policyholder; or
- (ii) In a fashion that is fraudulent, deceptive, or otherwise misleading or that involves a deceptive omission; or
- (iii) When the applicant is not informed that the policy values, including cash values, dividends, and other assets of the existing policy or contract will be reduced, forfeited, or used in the purchase of the replacing or additional policy or contract; or
- (iv) Without informing the applicant that the replacing or additional policy or contract will not be a paid-up policy or that additional premiums will be due or that a new contestable period will apply and explaining the impact of these differences.

**Note: Agents are not permitted to do internal replacements (replacing Gerber Life Insurance Policy with a Gerber Life Insurance Policy).**

## CONFIDENTIAL COMPANY AND CLIENT INFORMATION

Gerber Life, its associates and agents, must always properly handle and use confidential information. Confidential information includes all non-public information that might be of use to competitors or harmful to Gerber Life, its customers, or its employees, if improperly accessed, used, or disclosed. This includes Gerber Life's proprietary information, as well as certain information about its customers and employees. Gerber Life will not use confidential information that was improperly obtained from the owner of the information or a third party.

It is important that everyone does their part to safeguard confidential information. All confidential information is sensitive, but certain types of information require special care in handling, including non-public personally identifiable information, protected health information, and financial information. When handling confidential information, the agent must make sure that it secures it, does not leave it unattended, does not discuss it in public, and transmits it using a secure method.



**Examples of non-public personally identifiable information include:**

- First and last name
- Social security number
- E-mail address
- Bank Account number

**Examples of protected health information include:**

- Information about an individual's health condition
- Information about an individual's health care

**Examples of proprietary information include:**

- Pricing information
- Customer lists

If the agent stores confidential information electronically on personally-owned equipment or media, it is recommended that this information be protected by use of encryption software. At a minimum, confidential information should be password protected and firewalls used as appropriate.

## **CUSTOMER FUNDS/PREMIUM HANDLING**

The agent is responsible for submitting premiums promptly to Gerber Life. Gerber Life prohibits agents from accepting cash payments from consumers and also prohibits commingling of funds. Any premium collected from a customer must be kept separate from any personal or business account and must be immediately submitted to Gerber Life. All checks from a consumer or prospective customer received by the agent must be made payable to "Gerber Life Insurance Company".

Agents are not authorized to accept checks made payable to the agent, "cash" or "bearer", and are prohibited from accepting two-party checks. If a money order is remitted, the customer must obtain the money order on their own. Agents cannot purchase money orders for their customers. In the event a customer tenders an unacceptable form of payment, the agent must explain what forms of payment are acceptable and return the unacceptable payment immediately.

## **CONDITIONAL RECEIPT/RECEIPT**

If payment is provided at time of application, a conditional receipt (form CRUW-2011 for underwritten products) or a Receipt (form CRGI-2011 for guaranteed-issue products) must be provided to the customer. This does not apply to Automated Clearing House or credit cards, it only applies to check or money order payments.



# PAYMENT CARD INDUSTRY – DATA SECURITY STANDARDS (PCI-DSS)

In order to comply with regulations relating to Payment Card Industry, (PCI) Gerber Life strongly urges everyone when handling credit card or banking information to:

- (1) Use Gerber Life’s Agency Portal to submit the information when applying for life insurance coverage; and
- (2) If credit card or bank account information is being written on paper it should be destroyed as soon as it has been submitted to Gerber Life.

If you would like to learn more about PCI compliance please consult with the PCI Security Standards Council website, on the web at: [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org).

## POLICY DELIVERY

Policies must be delivered in a timely fashion to clients. If a consumer does not accept the policy as issued, the agent must return the original policy to the company as soon as possible. Gerber Life mails most policies directly to policy owner. If an agent delivers the policy they are required to submit a Delivery Receipt to Gerber Life.

## CLAIMS INVOLVEMENT

Gerber Life prohibits agents from involvement in any client’s claim. All inquiries from clients or beneficiaries should be referred to the company’s Life Claims Department at 1-800-700-6439.

## DOCUMENT RETENTION

State laws require agents to maintain records of all transactions under their license at their place of business. Experience indicates that records agents keep will be the best (or only) method to establish care and professionalism exercised when dealing with a particular client. Carefully maintained files also provide the best protection against inappropriate or wrongful complaints or legal claims in the future.

The appropriate time to build such files is when a particular transaction is in process. It can be difficult or impossible to reconstruct the file months or years later when questions or issues arise. State regulations vary regarding the amount of time that client files are to be maintained. However, a general rule of thumb is to maintain all active client files indefinitely and all non-active files for seven years after the policy ceases to be in force. Agents should familiarize themselves with the specific requirements of each jurisdiction in which the agent is licensed. In maintaining these records, agents must keep all information and documentation relating to clients confidential unless permitted by law and available for inspection by Gerber Life upon request.

## DO NOT CALL AND TELEMARKETING COMPLIANCE

Federal and state laws prohibit telephone solicitations to consumers who have placed their telephone numbers on a federal, state or internal “Do-Not-Call” list. This includes activities by agents who make unsolicited calls to set up appointments or generate leads. The penalties for

noncompliance can be significant. Violators can incur fines up to \$25,000 per violation. Callers can be sued and may have to pay damages to the people they called whose telephone number is on a “Do Not Call” list.

**It is the agent’s responsibility to comply with Do Not Call and telemarketing laws. If a Do Not Call related request or complaint is received, it is the agent’s responsibility to notify Gerber Life immediately.**

Other telemarketing laws such as registrations, consent, calling time restrictions, caller ID, etc. may also apply to the telemarketing activities of agents.

In addition, each agent who makes telephone solicitation calls on Gerber Life’s products (exclusively or as part of several insurer’s products being offered) must comply with the Telemarketing Compliance Monitoring Program, which may include additional requirements for training, reporting, document retention and script review.

Before Initiating a phone call or message for the purpose of encouraging the purchase of any Gerber Life products, agents must have Gerber Life authorization to telemarket. Agents should contact the Gerber Life Compliance Department at [glic-compliance@us.nestle.com](mailto:glic-compliance@us.nestle.com) (Only use this email address as directed).

## COMPLAINTS

Working earnestly to resolve customer dissatisfaction strengthens relationships with existing customers and helps enhance the company’s and the agent’s reputation for responsive service. In addition, prompt and fair responses to complaints and the maintenance of complaint records are required by law.

*Complaints are written communications expressing any grievance with the company, its services, practices, products, employees or agents. Differentiating an actual complaint from a misunderstanding or an inquiry requires judgment. A communication from a customer is probably a complaint if the customer claims (i) he or she has not received expected benefits or service; (ii) the company or an agent has made a mistake or has acted in a way prejudicial to the customer; or (iii) he or she is displeased with the company or its agents.*

All complaints received by the Agent must immediately be forwarded to Gerber Life Compliance Department. The Agent must not, under any circumstances, attempt to resolve a complaint on his/her own or offer to make any payments to a client from the Agent’s personal funds to resolve a complaint without prior approval from the Gerber Life Compliance Department.

It is inappropriate and unacceptable for any Gerber Life agent to initiate any discussion of a settlement of any complaint. While your input may be solicited, Gerber Life retains the absolute and unilateral right to settle and resolve any complaint in its sole discretion. Gerber Life also reserves the right to charge back commissions pursuant to the terms of the Agent contract.

**Report All Complaints Immediately to: [glic-compliance@us.nestle.com](mailto:glic-compliance@us.nestle.com) (Only use this email address as directed.)**

If Gerber Life receives a complaint or concern regarding a policy written by an agent, the agent may be contacted for a written response. The response must address all concerns stated in the

complaint, should include copies of any documentation referenced in the response and must be provided within a 48 hour period.

It is important to Gerber Life and required by state insurance departments and other organizations (e.g., the Better Business Bureau) to resolve a customer's complaint in a timely manner. Gerber Life's internal standard for compliant resolution is 15 business days. Therefore, a timely response is necessary. In an effort to keep the investigative process objective, Gerber Life shall not assist in formulating an agent's response.

## **CERTIFICATIONS AND DESIGNATIONS AND SENIOR SPECIFIC DESIGNATIONS USAGE**

Insurance specific certifications and professional designations are an important resource for agents when dealing with the public. Such certifications and designations signify a degree of accomplishment that can impress a consumer and instill a sense of confidence when dealing with important subjects like insurance and financial planning. No agent should use, advertise, or imply that they have any professional certification, designation, or training that they have not actually earned and maintained.

New York requires that agents, who use Senior Specific designations in advertisements or any other media, provide a disclosure at the initial meeting or consultation with a prospective client. The disclosure must provide the basis or source of the designation including if it was created by the person or the business. The disclosure of the designation must be made through the same means as the communication to the customer. If the communication to the customer was provided in only one type of media (i.e., writing, oral, visual, etc.) then the disclosure must be made in the same one. For example, if the agent emailed a communication to a customer, the disclosure of the agents' designation should be sent in an email as well.

## **QUALITY ASSURANCE**

Gerber Life reserves the right to implement any quality assurance processes that it determines to be reasonably necessary to ensure the agent's compliance with the terms of this Agent Compliance Manual.

## **FINANCIAL EXPLOITATION OF ELDERLY AND DISABLED ADULTS**

Senior Protection legislation has been adopted in many states. Along with suitability, replacement and consumer protection laws, this legislation generally provides broad protection to seniors. Gerber Life agents are expected to be familiar with the applicable laws of the states in which they conduct business and comply with all applicable regulations.

Financial Exploitation is the illegal or improper use of property or funds belonging to an Elderly Individual or Disabled Adult for the profit or advantage of someone else. Gerber Life is committed to the prevention and detection of Financial Exploitation in our insurance business.

## CALIFORNIA SALES TO SENIORS (FACE TO FACE IN CUSTOMER'S HOME)

California Agents are required to provide a sales disclosure notice before meeting with California residents age 65 and older in their home to offer, sell, or generate leads for the sale of life insurance. If the applicant is age 65 and older, a completed California Sales Disclosure to Senior form must be provided in writing at least 24 hours but not more than 14 days before the meeting in most instances. The California Sales Disclosure to Senior form with instructions can be accessed on the Agency Portal and Forms iPipeline. Agent/Agencies should retain a copy of the form in their records, do not send to Gerber Life.

## DOMESTIC VIOLENCE AND ABUSE POLICY

Gerber Life Insurance Company has established procedures to limit access to certain policy and claim related information associated with a victim of domestic violence or abuse as required by state law.

If an individual associated with a Gerber Life policy or application informs you that he or she is a victim of domestic violence or abuse, he or she can provide alternative contact information and request the confidential treatment of certain information by faxing or mailing a **Personal Protection Order of Confidential Communication Request Form (CCRF)** to:

**Gerber Life Insurance Company  
Attn: Policy Administration  
445 State Street, Fremont, Michigan 49413  
Fax: (231) 928-3045**

You can inform your customer that he or she can also call Gerber Life at 1-800-704-2180 to request a CCRF or for additional information including instructions on how to revoke a request for confidentiality.

Once we process all required documentation, in addition to our normal confidentiality protocols, Gerber Life will not disclose the following information to the policyholder or another insured covered under the policy, without the express consent, of the alleged victim, unless required by warrant, subpoena, or court order:

- the address, telephone number, or any other personally identifying information of the adult or child identified in the CCRF;
- the nature of the health care services provided;
- the name or address of the provider of the covered services; and
- any other information from which there is a reasonable basis to believe the foregoing information could be obtained.

As the Individual agent, who has been put on notice of alleged domestic violence or abuse, are bound by the same obligations as Gerber Life.

*For additional information about resources available to victims of domestic violence or abuse, please refer the alleged victim of abuse to the:*

**New York State Domestic and Sexual Violence Hotline: 1-800-942-6906  
Spanish Language Assistance: 1-800-942-6908**

**Illinois Domestic Violence Helpline: 1-877-TO END DV or 1-877-863-6338 (Voice)  
1-877-863-6339 (TTY)**

## **APPENDIX I – SALES IN PUERTO RICO**

### **Agent**

An Agent under the laws of Puerto Rico is referred to as an authorized representative.

### **Providing Full Disclosure** (also see page 5 of this manual)

#### **Display of License**

If the Commissioner issues a certificate as evidence of the license granted:

- (1) The agent must exhibit the certificate in a visible place of his/her place of business; and
- (2) The agent must carry and show proof of licensure while conducting insurance business on behalf of Gerber Life and show the card every time he/she is asked.

## **DO NOT CALL REQUESTS AND TRAINING (ALSO SEE PAGE 9 OF THIS MANUAL)**

In addition to the Do-Not Call U.S. federal laws which also apply in Puerto Rico, telemarketing calls outside the timeframe of 9:00 AM and 9:00 PM local time are also prohibited. For full details please see the Telemarketing Fraud Prevention Act, as enacted by Puerto Rico.

# HOW YOU CAN HELP PREVENT FINANCIAL EXPLOITATION

## APPENDIX A

### BE VIGILANT!

Be alert to signs that indicate an Impaired Adult may be the victim of Financial Exploitation, including:

- Impaired Adult reports that someone is misusing their money.
- Impaired Adult does not remember requesting insurance, or does not have knowledge of transactions or claims associated with the insurance policy and demonstrates concern or confusion in connection therewith.
- Impaired Adult offers contradictory or questionable explanations to justify any insurance transaction.
- Impaired Adult manifests being afraid of being evicted or confined in an institution if he or she does not appoint as beneficiary his or her guardian, representative, or any person who is in charge of his or her care.
- Someone seeks information as to insurance benefits for the Impaired Adult, without the latter's consent.
- More than one person alleges to be the guardian of the Impaired Adult.
- Someone alleges guardianship, but refuses to show evidence of his or her authority.
- Someone requests a change in the residential or mailing address from the one previously provided by the Policy Owner.
- Impaired Adult appears abandoned or unattended.
- Impaired Adult seems dazed, nervous, or afraid.
- Signatures on checks, wills, powers of attorney or other documents that look forged, unusual or suspicious.
- Someone shows excessive interest in the Impaired Adult's finances or assets, does not allow the Impaired Adult to speak for himself, or is reluctant to leave the Impaired Adult's side during conversations.
- Gerber Life is unable to speak directly with the Impaired Adult, despite repeated attempts to contact him or her.

### TAKE ACTION

Use a Financial Exploitation Referral Form (Form FER 7/11) to document suspected cases of exploitation. The report should include:

- The time and date of the report;
- The name, address and work number of the person reporting;
- The time, date, and location of the incident(s);
- The names of all persons involved, including the alleged victim, alleged exploiter, and any potential witnesses;
- The reason for the insurance transaction;
- Authorization of the suspected exploiter to conduct the transaction (guardianship/POA) ; and
- Relationship of the suspected exploiter to the Impaired Adult

## **FOLLOW THROUGH**

Immediately send the Financial Exploitation Referral Form to Compliance-SIU for review and investigation.



## APPENDIX B

# SUSPECTED FINANCIAL EXPLOITATION REFERRAL FORM

**Referral Date & Time:**

**Incident Date & Time:**

**Name of Elderly or Disabled Adult:**

**Type of transaction:**

**DETAILS:** Please list the reasons why this case should be investigated for possible Financial Exploitation below. Please include the names of all other persons involved, including the suspected exploiter and any individuals who can confirm information in this report. Please list the relationship of the suspected exploiter to the suspected victim.

Other pertinent information, if any:

This section to be completed by the referring Agent or Associate:

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**Your Name (please print)**

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**Work Address and Telephone Number**

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**Signature**

**SEND FORM TO COMPLIANCE – SIU**

[glic-compliance@us.nestle.com](mailto:glic-compliance@us.nestle.com)

# COMPLIANCE POLICY STATEMENT OF UNDERSTANDING

## AGENT COMPLIANCE MANUAL

I acknowledge receipt of the Gerber Life Insurance Company Agent Compliance Manual. I acknowledge that I have read and understand the contents of the Compliance Manual and further understand that if I, as the Master General Agent or its sub-agents, General Agent or its sub-agents, or as an agent, do not fully comply with the Compliance Manual's requirements, it will be deemed a breach of my contract and may result in, without limitation, the termination of my contract with Gerber Life Insurance Company.

- (1) I understand and acknowledge the need for strict compliance with all applicable federal and state laws and regulations regarding the solicitation, negotiation and sale of insurance by myself and/or my sub-agents, as applicable.
- (2) **Note:** This section only applies to vendors performing telemarketing activities. I understand that Gerber Life requires strict adherence to federal and state telemarketing rules and I and/or my sub-agents, if any, are to comply with the Gerber Life's Telemarketing Compliance Monitoring Program. My signature below certifies the following: completion of the Do Not Call training, required Do Not Call record retention and that all applicable telemarketing registrations are current and in compliance with the Vendor Guidelines. Do Not Call training shall be reviewed within 90 days of the date of initial contracting with Gerber Life and annually thereafter to all sub-agents.
- (3) I certify that I and/or my sub-agents, if any, will remain in compliance with Gerber Life's Compliance Training Program requirements, which includes Anti-Money Laundering and other training requirements. I agree that it is my responsibility to take Anti-Money Laundering training and/or provide Anti-Money Laundering training to my sub-agents, if any, within 90 days of the date of initial contracting with Gerber Life, unless taken directly through another represented insurance company or a competent third party, within the past twelve months and annually thereafter. In addition, when requested, I agree to provide Gerber Life evidence of completion of the required training by myself and/or my sub-agents, if any.
- (4) It is my responsibility to ensure that I and/or my sub-agents, if any, are aware of, and abide by, the laws and regulations in their state of licensure dealing with the use of professional certifications and designations, particularly when used with seniors.
- (5) Agent signatures are ONLY required at initial contract and thereafter will be signed by the agent's General Agent. It is my responsibility to read and comply with the Agent Compliance Manual and all updates even though the General Agent will be signing this Statement of Understanding annually on my behalf, if applicable.
- (6) I certify that I and/or my sub-agents, if any, will comply with New York Regulation 194 Producer Compensation Disclosure.

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Signature

Date

---

(Print Name)

Title

---

Agency Name

Email Address

**PLEASE RETURN A SIGNED COPY OF THIS DOCUMENT:**

**Fax: 877-608-4634 Mail: 445 State Street, Fremont, MI 49412 Attn: New Business**