

MARKET CONDUCT GUIDE



GPMLifeTM

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I. INTRODUCTION

This guide is directed to the employees and sales professionals who represent Government Personnel Mutual Life Insurance Company (GPM Life). It consists of:

- **Mission and Codes of Conduct**

These are statements of who we are, our beliefs about how to conduct business ethically, and the expectations we have for ourselves. We operate with integrity and professionalism and expect the most and best of ourselves.

- **Market Conduct Procedures**

These are specific guidelines for representatives to follow when doing business on behalf of GPM Life.

- **Advertising Procedures**

This section describes the process for having advertising materials approved prior to their use, and gives tips on permitted content of advertisements.

II. MISSION AND CODES OF CONDUCT

As a representative of GPM Life, you hold a position of responsibility and trust. Our policyholders and clients trust you to act in their best interests. GPM Life trusts you to act with honesty and integrity.

MISSION

GPM Life, a company owned by and operated for the benefit of its policyholders, is dedicated to helping people solve those financial problems arising from the uncertainties of life by providing quality products, prompt and understanding service, and sound company growth with adequate margins for safety.

CODE OF CONDUCT

As employees and marketing representatives of GPM Life, we are expected to aspire to achieve a high standard of conduct. Collectively, our actions reflect the character of our company. We must exercise great care to show policyholders, one another, and those in the community courtesy, understanding, fairness, and integrity.

CODE OF ETHICS

This Code is applicable to GPM Life officers, employees and agents.

1. HONEST AND ETHICAL CONDUCT

- a. We will know and follow the tenets of this Code.
- b. We will report conflicts of interest in accordance with GPM Life's established conflicts of interest procedure.
- c. We will provide quality products and prompt and understanding service in accordance with our Mission Statement.
- d. We will provide advice and service to customers which we believe to be in their best interest.
- e. We will continue to study, learn and develop our business and personal skills.
- f. We will act professionally and strive to avoid activities which detract from the integrity of GPM Life or the insurance industry.
- g. We will strive to exercise care in our interaction with others to demonstrate courtesy, understanding, fairness, honesty, and integrity.
- h. We will respect the rights of others as we understand them, and strive to avoid harm to others.
- i. We will strive to act promptly, competently, and in accordance with established company policy.
- j. We will strive to properly supervise subordinates and agents.
- k. Our loyalty will be to GPM Life and to this code, and not to any individual.

2. DISCLOSURE IN REPORTS

- a. We will provide full, fair accurate, timely, and understandable disclosure of data we believe to be required in periodic reports we must file.
- b. We will not conceal material facts we believe we are required to reveal.

3. LAWS, REGULATIONS

- a. We will strive to comply with applicable laws, rules, and regulations.
- b. We will strive to maintain our customers' privacy in accordance with our privacy policy.
- c. We will reasonably cooperate with governmental authorities acting within the scope of their authority.

4. REPORTING OF VIOLATIONS

- a. We will promptly report violations of laws we believe to be material to the President or the General Counsel.
- b. We will promptly report violations of financial reporting requirements we believe to be material to the President, the General Counsel, or the Chairman of the Audit Committee.
- c. We will report activities believed to be fraudulent to the Chairman of the Special Investigative Unit (SIU) and to the General Counsel.
- d. We will report violations involving any of the persons occupying the offices named in this part to the President or to the Board of Directors.

5. ACCOUNTABILITY

- a. We will not condone acts of those who violate this code.
- b. Those who violate this Code will be subject to appropriate discipline.

AGENTS' PLEDGE (A Part of Every GPM Life Agent Contract)

I pledge to serve GPM Life's clients and prospects ethically, using the same standards I would want an insurance professional to use if I were the client or prospect.

THE AMERICAN COLLEGE CODE OF ETHICS THE PROFESSIONAL PLEDGE AND THE CANONS

The Pledge:

In all my professional relationships, I pledge myself to the following rule of ethical conduct: I shall, in light of all conditions surrounding those I serve, which I shall make every conscientious effort to ascertain and understand, render that service which, in the same circumstances, I would apply to myself.

The Eight Canons are:

- Conduct yourself at all times with honor and dignity.
- Avoid practices that would bring dishonor upon your profession or The American College.
- Publicize your achievement in ways that enhance the integrity of your profession.
- Continue your studies throughout your working life so as to maintain a high level of professional competence.
- Do your utmost to attain a distinguished record of professional service.
- Support the established institutions and organizations concerned with the integrity of your profession.
- Participate in building your profession by encouraging and providing appropriate assistance to qualified persons pursuing professional studies.
- Comply with all laws and regulations, particularly as they relate to professional and business activities.

NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS CODE OF ETHICS

PREAMBLE: Those engaged in offering insurance and other related financial services occupy the unique position of liaison between the purchasers and the suppliers of insurance and closely related financial products. Inherent in this role is the combination of professional duty to the client and to the company as well. Ethical balance is required to avoid any conflict between these two obligations. Therefore,

I Believe It To Be My Responsibility

- To hold my profession in high esteem and strive to enhance its prestige.
- To fulfill the needs of my clients to the best of my ability.
- To maintain my clients' confidences.
- To render exemplary service to my clients and their beneficiaries.
- To adhere to professional standards of conduct in helping my clients to protect insurable obligations and attain their financial security objectives.
- To present accurately and honestly all facts essential to my clients' decisions.
- To perfect my skills and increase my knowledge through continuing education.
- To conduct my business in such a way that my example might help raise the professional standards of those in my profession.
- To keep informed with respect to applicable laws and regulations and to observe them in the practice of my profession.
- To cooperate with others whose services are constructively related to meeting the needs of my clients.

CODE OF ETHICS OF THE MILLION DOLLAR ROUND TABLE

Members of the Million Dollar Round Table should be ever mindful that complete compliance with and observance of the Code of Ethics of the Million Dollar Round Table shall serve to promote the highest quality standards of membership. These Standards will be beneficial to the public and the life insurance industry, and its related financial products. Therefore, members and provisional applicants shall:

- Always place the best interests of their clients above their own direct or indirect interests.
- Maintain the highest standards of professional competence and give the best possible advice to clients by seeking to maintain and improve professional knowledge, skills, and competence.
- Hold in the strictest confidence and consider as privileged, all business and personal information pertaining to their clients' affairs.
- Make full and adequate disclosures of all facts necessary to enable their clients to make informed decisions.
- Maintain personal conduct which will reflect favorably on the life insurance industry and the Million Dollar Round Table.
- Determine that any replacement of a life insurance or financial product must be beneficial for the client.
- Abide by and conform to all provisions of the laws and regulations in the jurisdictions in which they do business.

BASIC PRINCIPLES

At GPM Life, we believe our principles represent the most important definition of who we are. But if they are to have meaning, they must be lived.

These principles are:

- **Clear Values.** GPM Life has long operated from solid values involving personal integrity, professional standards, and a strong work ethic. We have the courage to live by our values and the commitment to do what is right.
- **The Law and Contracts.** Field representatives and home office personnel are responsible for knowing and following all applicable insurance laws, all company rules, and all agents' contracts. GPM Life will attempt to notify you as new state and Federal regulations affecting insurance products change. However, we strongly recommend that you remain knowledgeable about the regulations in all states in which you are licensed and comply with them in full.
- **Our Clients' Needs.** Our objective is to serve our prospects' and policyholders' needs first, last and always. This means doing for them what is in their best interests to do.
- **A Long-Term View.** GPM Life's thinking and decision-making seek to assure quality services over the long haul, independent of trends, the latest products, or a roller-coaster economy. We have worked hard to earn our policyholders' trust every day since our founding in 1934.
- **Long-term Relationships.** GPM Life seeks long-term relationships with its sales representatives; they seek lifelong relationships with their clients. This means that all must know, understand, appreciate, and serve the other.
- **Support Services.** Quality service to policyholders and sales representatives, both before and after the sale, will continue to be a top priority. This is essential to the development of long-term relationships.
- **A Goal to Improve.** Improvement means always keeping an eye on ways to get better. Feedback is crucial. Please report non-compliance with any of the principles in this Guide to GPM Life's General Counsel or President.

III. MARKET CONDUCT PROCEDURES

PRESENTING YOURSELF

Your initial appearance to a prospective client, whether by phone, in writing, or in person, can set the stage for a long term relationship, or can “turn the prospect off.” It’s important to be honest about who you are and what you do. Life insurance and annuities can keep families together, provide for comfortable retirement, pay for college education, etc. You don’t want to hide what you can do behind a cloud of misinformation. You are a life insurance and annuity professional, and proud of it!

HARASSMENT POLICY

GPM Life has a strong policy against harassment. GPM Life fully supports the laws prohibiting harassment because of sex, race, religion, color, national origin, ancestry, disability, medical condition, age (over 40), or other protected status. GPM Life agents must be mindful of treating policyholders, applicants or prospective clients and company employees with respect and professionalism.

Examples of prohibited conduct are:

- Verbal conduct such as epithets, derogatory comments, jokes, slurs, or unwanted sexual advances, invitations, or comments.
- Visual conduct such as leering, staring, derogatory posters, cartoons, drawings or gestures.
- Physical conduct such as touching, assaults, the blocking of normal movement, or interference with work.

Conduct which may be considered cute, innocent, or merely flirtatious may be construed as harassment, and care should be taken to exercise discretion in both words and conduct. Touches and pats, even if innocent, can be out of place. GPM Life’s Legal Department will provide advice or answer any questions regarding interpretation of the guidelines.

TELEPHONE SOLICITATION-DO-NOT-CALL RULES

When making a telephone solicitation, always give your name, say you represent GPM Life, say how you can be contacted, and say that the purpose of your call is to sell life insurance and annuities.

Use of automatic telephone dialing systems, pre-recorded voices, fax machines, or the internet to make solicitations is rigidly controlled. Ask GPM Life's Legal Department for advice if you are going to use any of these to solicit new clients.

State and Federal regulations control how you can use the telephone to solicit new clients. Calls must not contain misrepresentations or misleading information. They must not be harassing.

DO-NOT-CALL RULES

The Federal Communications Commission (FCC) has issued comprehensive telemarketing rules which will affect how and whom you may call. An explanation of the rules, the rules themselves and probable "Questions and Answers" may be found on Agent Access at www.gpmlife.com.

While you should study all of the rules carefully, here are key things you must do:

- **Before** "Cold Call" telephoning any residential (non-business) prospect,
 - A. With whom you do not have an established business relationship,
 - B. Who is not a friend, family member or acquaintance,
 - C. Who has not sent in an inquiry, and
 - D. Who has not consented in writing to your call,**You must** access the Federal Trade Commission (FTC) Do-Not-Call Registry, to be sure the prospect is not listed. The FTC Registry may be accessed at www.telemarketing.donotcall.gov.
- **Maintain** a list of numbers you cannot call.
- **Make** all calls only between 8:00 a.m. and 9:00 p.m. GPM Life prefers no residential solicitation calls be made before 9 a.m. on Saturday or noon on Sundays.
- Prepare written procedures to comply with do-not-call rules (see Safe Harbor Rules), for protection should you call someone on the do-not-call list in error. Specimen procedures may be found on Agent Access at www.gpmlife.com.

This is not intended as legal advice. Each agent should contact their own attorney for advice on complying with these regulations.

Remember, violations can result in personal liability!

DESCRIBING WHAT YOU DO AND WHAT YOU ARE

Examples of Ways You Can Describe What You Do:

“I am experienced in analyzing military and civil service benefits and in filling the gaps in those benefits.”

“Insurance is often important in the estate planning process. After analyzing a client’s needs and net worth, as well as retirement and estate distribution objectives, I will assist in identifying the appropriate products and solutions to meet current and future goals.”

“I provide a portfolio of life insurance and annuity products to assist businesses and individuals to meet their financial needs.”

You May Not Describe Yourself as Being With or Sponsored by the Government, or as Any of the Following:

- Benefits Specialist
- Financial Planner
- Financial Consultant
- Financial Counseling
- Investment Advisor
- Retirement Planner
- Pension Specialist
- Federal Specialist
- Military Specialist
- Retirement Specialist
 - unless you are licensed or certified as such, or unless it is clear from other things you say that you sell life insurance and annuities.
- Prohibited Uses of Senior-Specific Certifications and Professional Designations.
 - It is an unfair and deceptive act or practice in the business of insurance to use a senior-specific certification or professional designation that indicates or implies in such a way as to mislead a purchaser or prospective purchaser that you have special certification or training in advising or servicing seniors in connection with the solicitation, sale or purchase of a life insurance or annuity product or in the provision of advice as to the value of or the advisability of purchasing or selling a life insurance or annuity product, either directly or indirectly through publications or writing, or by issuing or promulgating analyses or reports related to a life insurance or annuity product.

The following is a list of approved designations that may be used upon successful completion of the requirements needed to earn the designation. The following designations may have continuing education requirements. These too will need to be successfully completed in order to maintain the designation.

National Quality Award

National Sales Achievement Award

CLU or Chartered Life Underwriter

ChFC or Chartered Financial Consultant*

CASL – Chartered Advisor for Senior Living

CFP* (Note: This cannot be spelled out.)

MSFS or Master of Science in Financial Services

Life Underwriter Training Council Fellow

Member, Million Dollar Round Table **

Life Member, Million Dollar Round Table **

Qualifying and Life Member, Million Dollar Round Table **

Member, National Association of Life Underwriters

Member, Women Life Underwriters Confederation

Business and Personal Insurance Planning

Insurance Estate Planning

Chartered Federal Employee Benefits Consultant (ChFEBC)

*This designation is approved in all states except Maryland and Washington.

**MDRT guidelines should be met when using these designations.

No insurance producer may use the above terms in such a way as to imply that he or she is generally engaged in an advisory business in which compensation is unrelated to sales unless that actually is the case. This provision is not intended to preclude persons who hold some form of formal recognized financial planning or consultant designation from using this designation even when they are only selling insurance. This provision also is not intended to preclude persons who are members of a recognized trade or professional association having such terms as part of its name from citing membership, providing that a person citing membership, if authorized only to sell insurance products, shall disclose that fact. This provision does not permit persons to charge an additional fee for services that are customarily associated with the solicitation, negotiation or servicing of policies.

These can only be used on GPM Life produced and approved stationery.

THE SCOPE OF YOUR WORK

GPM Life Agents are in the business of helping prospects and clients meet their current and future financial goals through life insurance and annuity products. You are not in the business of giving legal or tax advice. Prospects and clients should seek that type of advice from the appropriate professionals.

YOU CAN:

- Act as a catalyst in showing a client the importance of planning.
- Discover, through fact-finding, a client's goals and present situation.
- Gather necessary documents for review (wills, trusts, policies, etc.).
- Explain a client's military or civil service benefits.
- Define in general terms the function of applicable trust and other documents.
- Implement a planning "team", consisting of yourself and other professionals (CPA, Attorney, Trust Officer, etc.).
- Offer specific recommendations and information on products you sell as they pertain to a client's needs.
- Suggest that clients review the tax, legal and accounting planning matters with their own advisors, if they have existing relationships.
- Refer clients to other professionals if they so desire, always giving them several choices.

YOU CANNOT:

- Recommend that a client take any specific action relating to financial affairs that does not relate to the areas of insurance or annuity products you offer (e.g., recommending a particular kind of trust, will provision, etc.).
- Refer a client to any one specific professional advisor.
- Engage in the unauthorized practice of law.
- Imply in any way, or do anything to leave the impression in a client's mind, that you work on a fee-for-service basis (unless you are properly registered to do so and observe the relevant regulations).
- Attempt to change a client's perception of risk exposure, or act as a registered investment advisor in any way (unless you are an RIA).

WHERE YOU CAN SELL – LICENSING

The laws are strict about where you can solicit and sell.

GPM Life is licensed in most states, but not all. Be very careful to sell only where GPM Life is licensed. Before you sell, you, too, must be licensed in the state where you sell, and you must be appointed by GPM Life. GPM Life's product must be approved in the state where you sell. You must comply with all state laws and regulations. If you write business on military personnel on base, you must have base clearance and permission from GPM Life, and you must comply with all Department of Defense and Military Branch Regulations. You must have permission and training from GPM Life to engage in sales to any military personnel. See *The Sales Process – Selling to Military Service Members/DoD Personnel* on the succeeding pages for additional information.

Your applicant must be physically present in the state where you are licensed in order for you to solicit or sell. If one of your clients moves to a state where you are not licensed, you must obtain a non-resident license to sell in that state. If such a client calls you wanting more coverage, and you are not licensed in his state, tell him immediately that you cannot act as an agent in his state, but that you will have GPM Life's home office assist him. You can assist a client calling you from a state in which you are not licensed if all she/he wants to do is exercise a contractual right to buy or convert contained in an existing GPM Life policy.

THE SALES PROCESS

Needs and Suitability

The selling of life insurance and annuity products should be based solely on the needs of the client. To determine what those needs are, a fact-finding process is necessary. Full and accurate descriptions of products and services are required. A product must be “suitable.” A suitable product is one that is appropriate for the client’s needs and circumstances.

Suitable products not only increase the likelihood of a sale, but also the likelihood that the products will remain in force. The persistency of business is very important; therefore, efforts should be made to keep clients satisfied through regular contact, prompt service and personalized attention.

A client may want to replace an existing product with a new one rather than adding to what is already in place. It is rare that replacement of a policy is preferable to keeping or supplementing what is owned already. However, if after careful and complete study and full disclosure of all pertinent information, a replacement is clearly in the best interests of your client, it must be done in accordance with GPM Life’s rules, and with replacement, churning, and twisting regulations in effect in that state.

To serve our clients well, agents must be informed, competent and professional. They will know the provisions and features of company products and how the products can be applied to satisfy clients’ needs.

Sales to Senior Consumers

It is YOUR RESPONSIBILITY to become familiar with GPM Life’s position on Sales to Senior Consumers and with ALL applicable state regulations BEFORE submitting applications to the Home Office.

In most states, “Senior consumer” means a person sixty-five (65) years of age or older, however, states may require a lower age. In the event of a joint purchase by more than one party, the purchaser will be considered to be a senior consumer if any of the parties is at the minimum age as defined by law.

GPM Life’s position regarding Sales to Senior Consumers is as follows:

The selling of a product should be based solely on the needs of the client. A product must be “suitable.” A suitable product is one that is appropriate for the client’s needs and circumstances. RDA’s and general agents should adopt written procedures and review files periodically in order to prevent and detect violations. Notices should be retained for the length of time stated in the regulation. GPM Life recommends at least ten years.

Sales made to seniors in the state of California have several different state mandated requirements. The agent must first send Form 07.10CA – *State Required Notice to Seniors for In-Home Sales Leads*, 24 hours prior to any home visits. Form 07.05CA-*Notice Regarding standards for Medi-Cal Eligibility for Distribution by Insurers, Agents and Brokers* and Form 07.15CA – *Acknowledgement of Receipt of Notice to California Residents 65 Years or Older Regarding Life Insurance* must be completed, signed and submitted to GPM Life with any life or annuity application on an applicant age 65 or older. In addition, Form 07.20CA – *Limitation of Sales to Seniors* should be reviewed by gents prior to any sales. Any sales that fall within the listed limitations should not be taken or submitted. All of these forms are available on Agent Access at www.gpmlife.com on the GPM Forms Map for the State of California.

Annuity Suitability

It is YOUR RESPONSIBILITY to become familiar with GPM Life's position on Annuity Suitability and with ALL applicable state regulations BEFORE submitting applications to the Home Office.

GPM Life's position regarding annuity suitability is as follows:

The selling of annuity products should be based solely on the needs of the client. A product must be "suitable." A suitable product is one that is appropriate for the client's needs and circumstances. RDA's and general agents should adopt written procedures and review files periodically in order to prevent and detect violations. Notices should be retained for the length of time stated in the regulation. GPM Life recommends at least ten years.

GPM Life requires the agent to submit the Annuity Suitability Acknowledgement form as part of each application. This form is available on Agent Access at www.gpmlife.com under the Applications and Forms section of the Forms Map, or you may request a copy from the Marketing Department. The form states whether the agent believes the annuity is suitable for the Applicant's financial needs. Both the Applicant and the Agent shall sign this form. One copy shall be left with the Applicant and another copy should be retained for your files. Send the original with the application to the Home Office.

GPM Life has adopted written procedures and will conduct periodic reviews of its records in order to detect and prevent violations. RDA's and general agents will need to 1) prepare written procedures (upon request, you may obtain a copy of our written procedures and use them to fulfill of this requirement) and 2) conduct periodic reviews of their records relating to this regulation. GPM Life may request evidence of compliance with these regulations.

In addition, at least one state (California, currently) requires a certified annuity training course be completed prior to any annuity sale. In some cases, this training is required to be completed on an annual basis.

Sales to Military Service Members and DoD Personnel

Recent changes in various Federal, State and Military Laws and Regulations now require that all agents who sell Life and Annuity Products to Military Service Members and certain DoD Personnel adhere to a more stringent standard than ever before.

GPM Life agents have always complied with corporate procedures and practices set at a higher level than those required by law. As a result, compliance with the new rules should present no extraordinary difficulty.

You must complete special training from GPM Life prior to any type of contact or sales solicitation of DOD personnel or Military Service Members. This training is not optional and must be completed or applications cannot be accepted. Please review the Department of Defense (DoD) Compliance Kit on Agent Access at www.gpmlife.com to see if you would be interested in learning more. Contact the GPM Life Marketing Department for training if you want to sell in this market.

REPLACEMENT COMPLIANCE

GPM Life's position regarding replacements is as follows:

The selling of life insurance and annuity products should be based solely on the needs of the client. To determine what those needs are, a fact-finding process is necessary. Full and accurate descriptions of products and services are required. A product must be "suitable." A suitable product is one that is appropriate for the client's needs and circumstances.

A client may want to replace an existing product with a new one rather than adding to what is already in place. It is rare that a replacement of a policy is preferable to keeping or supplementing what is owned already. However, if after careful and complete study and full disclosure of all pertinent information, a replacement is clearly in the best interests of your client, it must be done in accordance with GPM Life's rules, and with replacement, churning, and twisting regulations in effect in that state.

Replacement is any transaction in which a new life insurance policy or a new annuity is to be purchased or changed and results in any existing policy that is:

- lapsed, forfeited, surrendered, or partially surrendered, assigned to the replacing insurer or otherwise terminated; or
- converted or reduced to paid-up insurance, or continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values; or
- amended to effect a reduction in either benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid; or
- reissued with any reduction in cash value; or
- subjected to borrowing, whether in a single loan or in a schedule of borrowing over an extended period of time, in an aggregate amount exceeding 25% of the loan value set forth in the policy; or
- used as a financed purchase.

Replacement is rarely in the best interest of the client. All aspects of the transaction should be thoroughly reviewed and considered before a recommendation for replacement is made.

Most states require state-specific replacement forms. Too, GPM Life requires its own replacement form be completed and submitted with the life insurance or annuity application, except in states that have adopted the NAIC Model Replacement Regulation. Full details or the reason for each replacement must be furnished the GPM Life Home Office either on GPM's Replacement Form or on the NAIC Model Replacement Regulation form.

Internal replacement involves the replacement of one GPM Life policy with another GPM Life policy. GPM Life does not allow its agents to replace GPM Life policies, except under rare circumstances, and prior approval is required. If approval is obtained, appropriate commission adjustments will apply.

External replacement involves the replacement of another company's policy with a GPM Life policy. Such cases are carefully reviewed during the underwriting process. All agents are encouraged to ensure that replacements are kept to a minimum, and only recommended when clearly in the best interests of the client. In addition, the agent should ensure that the client is fully informed of any values, credits, or privileges in the original contract that may be lost or reduced.

Other forms of replacement that are prohibited include:

- Using misrepresentation to induce replacement of a policy from another company. Commonly known as "Twisting".
- Using misrepresentation to replace coverage within one's own company, or another company in some states, is commonly known as "Churning."

Forfeiture of Commissions. It is a violation of the GPM Life Agent's contract to induce any policyholder of GPM Life to discontinue payment of premiums or to terminate any of its policies, without its prior consent. Violation may result in forfeiture of all compensation or other interests and rights under your agent contract.

DESCRIBING THE PRODUCT

Your client deserves a clear description of what you are selling. Here are some guidelines to follow.

1. Make it clear that you are talking about a life insurance policy or an annuity. Avoid using terms like investment, investment plan, founder's plan, charter plan, expansion plan, profit, profits, profit sharing, interest plan, savings, savings plan, equity, tax free, retirement plan, private pension plan, or other similar terms in connection with a policy in a context or under such circumstances or conditions as to have the capacity or tendency to mislead a purchaser or prospective purchaser of such policy to believe that he or she will receive, or that it is possible that he or she will receive, something other than a policy or some benefit not available to other persons of the same class and equal expectation of life. If you use the marketing name shown on the policy brochure, like (UNI-Mark or SECURE-Mark), also use its generic name (whole life insurance or universal life insurance).
2. Emphasize first the insurance features rather than the tax advantages of permanent life insurance. For example, "This policy can provide a lump sum death benefit or income to surviving family members. It also features tax-deferred cash value buildup." Accurately describe annuities and the features of the product being offered.
3. Accurately describe life insurance premium payments. The words "premium" and "cash premium outlay" are acceptable. Avoid referring to premiums as "savings," "deposits" or "contributions." These words convey the impression that amounts may be withdrawn in full at any time. Never say that premiums "vanish;" instead, explain that they can be paid from policy values, if that is the case.
4. Non-guaranteed policy values must be based on a current dividend scale or the current interest-crediting rate, risk charges, loads and fees, with all required disclaimers. In addition, show an illustration with an alternative/reduced dividend scale or interest-crediting rate. Explain that dividends are a return of premiums, not an investment return, and these are non-taxable (under current law). Stress that neither the payment of dividends, nor the amount, can be guaranteed. Any illustration of dividends must be based on GPM's current dividend scale and must say that the dividends illustrated are not to be construed as guarantees or estimates of dividends to be paid in the future. Policy loan usage will adversely affect any dividends that might be declared.
5. In general, advertising and sales material, and what you say orally, should be accurate, complete, not deceptive or misleading, and understandable by someone not knowledgeable in insurance matters.
6. Do not give tax, legal, accounting or other professional advice. Although you may comment on issues which have tax, legal or accounting aspects, specific recommendations or advice cannot be given in the presentation.

7. When Comparing Policies of Other Companies:

Do not use cumulative premium outlay when comparing two policies, as it does not take into consideration the time value of money. Use Cost Comparison Indices in order to compare the policy you are offering to that of another company. You should compare index numbers only for similar policies – those which provide essentially the same benefits, with premiums payable for the same length of time. Use the correct age and amount the customer intends to buy. There are two types of comparison indices, both of which assume that the insured lives and premium are paid for the next 10 or 20 years.

- a) The Surrender Cost Comparison Index helps compare costs over a 10 or 20 year period assuming the policy is surrendered for its cash value at the end of the period. It is useful to consider if the level of cash values are of special importance to the customer.
- b) The Net Payment Cost Comparison Index helps compare costs over a 10 or 20 year period assuming continuous premium payments and that no cash value is taken from the contract. It is useful if the prospect's main concern is the benefits that are to be paid at death.

The index numbers cannot tell the whole story, so you should also use your company-approved illustration system to compare cash values and death benefits, making sure to identify guaranteed and non-guaranteed amounts.

Disclose the source (e.g., software) and the date of information on other companies.

Use up-to-date and accurate ratings for other companies and include the basis for each rating (e.g., Moody's for financial strength). Don't use ratings unless you state the purpose, scope, limitations, and extent of the ratings.

Provide a ledger-type illustration for each policy compared.

Include footnotes where applicable, for example, "Issued by Government Personnel Mutual Life Insurance Company."

When comparing Universal Life policies, be consistent in comparing the annual premium or the minimum premium.

8. Do not make disparaging remarks about competitors and their products. Do not make any statement, oral or written, about a competitor which is derogatory, or untrue, or which does not promote truthful, clear and accurate information. Use only relevant, factually accurate information. **Be positive.** Sell the good things about you and GPM Life's products.
9. Do not pay or offer or give a rebate of any kind. Generally, a rebate is an offer or gift of anything of value not specified in the policy as an inducement to purchase. A few states may allow rebating, but GPM Life does not.
10. Do not tie the product you are selling to any other product, insurance or otherwise. Describe separately each product you sell.
11. Do not say or imply that GPM Life's product is "Government approved."

FIELD UNDERWRITING, INSURABILITY, JUVENILE INSURANCE, and STOLI

Field Underwriting

Life insurance policies are issued only after a determination of insurability based on personal, financial and medical information about the proposed insured. Some of this information also is needed to issue annuity products. Much of the information is developed by the agent through field underwriting. It is the duty of an agent to ask each question on the application word-for-word and to report all responses accurately and in a timely fashion, unless GPM Life is using a telephone underwriter to ask the questions. Each question should be asked of, and answered by, each proposed insured, and recorded exactly as written. Any additional important risk information you learn, even if not specifically asked for on the application, should be reported in a cover letter.

Any adverse information the agent learns after the application has been submitted and before the policy or contract is delivered should be reported. Further, a life policy must not be delivered if any Proposed Insured's insurability has changed since the application was taken. The home office should be contacted for instructions if insurable status has changed, either for better (suspected impairment has been removed), or worse (impairment or financial risk factor has arisen).

Insurability

With life insurance, there must be an insurable interest. An insurable interest exists when the beneficiary has an economic interest in the continuation of the Proposed Insured's life. Where family members are dependent, the presence of an insurable interest usually is evident. With businesses, there sometimes is a need for a more elaborate explanation. Whenever there is an unusual beneficiary arrangement or one in which there may appear to be a question as to insurable interest, an explanation must accompany the application.

In addition to an insurable interest, the application must present an insurable value at least as great as the amount of coverage being sought. Insurable value is the amount of financial loss (in terms of earning power, services, etc.) which can be reasonably expected in the event death occurs. When the amount of insurance applied for exceeds the insurable value of the Proposed Insured, there is a strong possibility that anti-selection is involved.

It is possible for there to be an insurable interest, but not enough insurable value to justify the amount of coverage sought. This is often the case when a child applies for life insurance on an elderly and dependent parent. Death of the parent would not result in any significant financial loss to the child, but, on the contrary would relieve the child of a financial burden. For this reason, such applications are discouraged.

Underwriting action on applications exceeding the Proposed Insured's insurable value will depend on the amount of the excess, whether or not speculation appears to be involved and other aspects of the case. It will usually be possible to offer a reduced amount of coverage consistent with the Proposed Insured's insurable value. However, if the amount applied for is so much greater than the Proposed Insured's insurable value as to cast serious doubt on the applicant's motivation, it may be necessary to decline coverage altogether.

Juvenile Insurance

There is obviously a greater need for life insurance on parents than on their children. Therefore, coverage should be written on children only if there is an adequate amount in force or applied for on the parents. As a general rule, the amount of insurance should not exceed 1 or 2 times the family income, nor should it exceed the amount of individual coverage on the parents or guardian. Also, the amount of insurance should be roughly the same as the amount on other children of the family.

At least one state (Washington) has strict guidelines for insurance that may be considered on juvenile lives. However, care should be exercised in all states in writing juvenile life insurance coverage. Here are some general guidelines.

1. Applications to GPM Life on children without existing or new applications for insurance on parents should be accompanied by a memorandum outlining the purpose of the insurance, the reason why there is no coverage on the parents. If there is existing insurance on the parents at other companies, information should be given as to how much coverage and how long in force on each parent.
2. Applications on a child without applications on other children in the family or like coverage should be explained. Higher coverage on one child than siblings should be explained.
3. A step-parent may not insure step-children without written consent of the custodial parent for both the amount of coverage, and the beneficiary of the coverage.
4. Insurance on a child should not be more than XX total in relation to coverage in force on parents. Exceptions may be made only by written consent of the Chief Underwriter and the case underwriter.
5. Check Rate Manual rules. Applications for insurance that require exceptions to the company's rules should not be taken without prior approval of the Senior Underwriter.
6. Foster parents have no insurable interest in the lives of foster children. Application should not be taken. The only exception that may be made is if adoption has been applied for and is within 30 days time of being formalized.

Stranger Owned Life Insurance (STOLI) - PROHIBITED

When no insurable interest exists between i) a proposed insured and ii) a proposed beneficiary, or proposed owner, or proposed payer, "Stranger Owned Life Insurance" (STOLI) may be involved. STOLI (which has many other names) typically involves a stranger's agreement with an older or sickly proposed insured to pay the premiums in exchange for being named the owner and beneficiary, or in exchange for later assignment of the coverage to the stranger. GPM Life PROHIBITS all forms of STOLI. STOLI is less likely to occur with group term life coverage, the policy for which does not allow assignment of benefits, and the applications for which do not contain an area to name a stranger as coverage owner, but could result if the applicant/proposed insured named the stranger as a beneficiary.

Once the coverage has been issued the policyholder or certificate holder can (except where an individual policy was taken out with the intention of selling it) legally change the owner of beneficiary to whomever they wish, but GPM Life representatives SHOULD NOT encourage this to get around the requirement of an insurable interest.

GPM Life's policy on insurable interest, insurable value, juvenile insurance, and STOLI may be reviewed in the Rates and Procedures Manual available on Agent Access at www.gpmlife.com.

SALES LITERATURE AND ILLUSTRATIONS

Only Home Office-approved sales literature, illustrations, and business cards may be used.

Brochures and other printed sales materials prepared in the home office and bearing GPM Life form numbers should be used appropriately to describe GPM Life products and services.

Sales literature prepared in the field, as well as any communication with clients or potential clients for the purpose of replacement, may be used only after prior approval of the Company. GPM Life stationery and other items may not be used to communicate with clients for the purpose of marketing or servicing products of companies other than GPM Life.

Sales illustrations should be used appropriately to explain the features of GPM Life products. Agents should take care that they are using only the current edition of software. When illustrations are presented, they are to be presented in full (consecutive pagination) with no omissions. Sales illustrations, other than those produced via Company-provided software, may be used only after prior approval by the Company. Some states require that illustrations contain the agent's license number.

COMPLETING APPLICATIONS

All questions are to be asked of the Proposed Insured (and applicant or annuitant, if other than the insured) word-for-word in person, unless GPM Life is using a telephone underwriter to ask the questions. Answers are to be recorded accurately and completely on the application prior to its being signed. Any changes must be initialed by the person signing the application. Only the Proposed Insured (and applicant or annuitant, if other than the insured) may sign applications, including any supplementary forms.

The applicant's check for the full first premium must accompany most applications. While it is not required for some military and civil service applications, it is highly desirable. When the premium is collected, or military or civil service allotment documentation is received, the Conditional Receipt must be given to the applicant. The amount of life insurance, including Accidental Death Benefit, which may become effective prior to policy delivery, is limited to \$150,000.

The Conditional Receipt must not be given nor any form of payment accepted with the application if the total amount of insurance in force and applied for with GPM Life on any one life exceeds: (1) \$500,000 for civilian lives through age 60, (2) \$250,000 for military lives through age 60, or (3) \$250,000 for any life (civilian or military) over age 60. Applications exceeding these limits must be submitted on a COD basis.

Since the Conditional Receipt grants coverage prior to policy delivery only if all of the Proposed Insureds are standard risks, and all other conditions of the Conditional Receipt are met, no form of payment should be accepted with an application (a) if any Proposed Insured has been treated for heart disease, stroke or cancer within the preceding 12 months, or (b) where there is good reason to anticipate that any Proposed Insured is not a standard risk. The application should be submitted COD without the initial premium, or an informal inquiry may be used for a preliminary evaluation of insurability.

Some states require that your name and license number be legibly placed on all applications.

POLICY DELIVERY

Prompt and proper delivery of the policy is important. We know that clients' understanding of the features, benefits and terms of the products they purchase, as well as the reasons for which they were purchased, go a long way toward satisfaction. Much of this understanding can be achieved at delivery.

Insurance and annuity products contain a provision which allows purchasers to return them for a complete refund within a "free-look" period following delivery. You want your policyholder to know his policy has been approved and to understand what he has purchased. It is important that the delivery take place promptly. It also is important that there be evidence that the delivery has been accomplished. For that reason, the agent must secure the client's signature on the delivery receipt and return it promptly to the home office.

Delivery by mail may be appropriate in some cases, and is permitted. The delivery receipt still must be signed and returned. Delivery in person is preferable as it reinforces the sale and improves client relations.

SERVICE AT TIME OF CLAIM

An agent who knows the client's financial circumstances and personal interests can be of valuable assistance at the time of death. While in some instances it is appropriate for home office claims personnel to deal directly with the client or beneficiary, agents should render service personally in most cases.

Claims must be handled expeditiously, but carefully and with sensitivity. This is good business practice and is required legally. It is the duty of an agent to report to the home office immediately that an event which will lead to a claim has occurred. The law considers that when an agent has been notified of such an event, the company also has been notified. Any delay in reporting will inhibit the ability to serve properly.

FRAUD – FELONY CONVICTION

Most states require field and home office personnel to investigate and report indications of fraud or suspected fraud in the insurance business. Current State and Federal regulations apply to every applicant, proposed insured and agent that participate in the completion of an application for life insurance, reinstatement application or claim for benefits. GPM Life has a Special Investigative Unit (SIU), mandated by statutes, for the purpose of complying with these laws. Report to GPM Life's General Counsel any knowledge you may acquire that indicates an applicant, policyholder, beneficiary, claimant, or other person may be guilty of fraud.

A federal statute prohibits anyone from working with or for GPM Life, without regulatory approval, if they have been convicted of a felony. You must immediately report to GPM Life any felony charge or conviction.

TRAINING AND EDUCATION

Sales representatives are responsible for fulfilling all the licensing and continuing education requirements in the states in which you do business. But this is the minimum regarding your education.

You must be knowledgeable and skilled enough to help clients meet their insurance needs and financial objectives. If you don't have the knowledge and skills you need, then work with a trainer or mentor to ensure your prospects and clients get the products and services they need and deserve. The same applies to Home Office employees.

Because we are professionals, we must stay informed about the latest ideas and techniques. Our clients want you to be up-to-date and ready to provide them with the best recommendations and products. Read professional journals and home office publications to stay current.

Another way to remain current and to complete continuing education requirements is to enroll in a program to obtain a professional designation. A CLU, ChFC, LUTCF, FLMI, or a number of other designations after your name shows you are committed to professionalism.

Take part in agency or home office training programs and schools. The best agents and employees are those that are abreast of the latest ideas and understand new products that may be right for a client.

In addition to learning about needs analysis, products and selling techniques, it is important to understand the market conduct expected of you. Read this booklet and view the LIMRA video, *Playing by the Rules*. Take part in home office and agency meetings regarding compliance and market conduct.

ANTI-MONEY LAUNDERING (AML) REGULATIONS

It is the policy of Government Personnel Mutual Life Insurance Company ("GPM Life") to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities, in accordance with applicable statutes and regulations. Prior to the solicitation or sale of any GPM Life covered product, every agent must complete AML training satisfactory to the Company. GPM Life's Anti-Money Laundering Program is available on Agent Access at www.gpmlife.com Contact the GPM Life Marketing Department or the Company's Chief Compliance Officer for assistance in completing the necessary training prior to the solicitation of any covered product.

FAIR COMPETITION

Unreasonable Restraint of Trade - In general, the Sherman Act prohibits contracts, combinations and conspiracies in restraint of trade. Some activities are unlawful per se, such as boycotts or concerted refusals to deal, agreements to fix prices and agreements to allocate markets. The Clayton act prohibits tying and exclusive dealing arrangements and prohibits mergers the effect of which is to substantially lessen competition. The Federal Trade Commission Act prohibits unfair methods of competition and unfair or deceptive acts or practices affecting commerce. Federal statutes such as these apply to the business of insurance only if similar legislation has not been passed by the states. Many states have similar statutes. Basic elements of unreasonable restraint of trade are described more specifically below.

Price Fixing - Competitors cannot agree to raise, stabilize, lower, or otherwise affect prices (premiums, interest or interest rates, dividends or dividend rates, ratings, commission rates, surrender charges,

policy loans, finder's fees, amortization of loan terms, rental charges, periods of loan maturity, loan appraisal values, etc.). Even an exchange of price information can be illegal if part of an agreement to fix prices. In competitive bidding situations, any agreement to affect the outcome of the bidding is illegal.

Gathering Competitive Information - Competitors should not disclose prospective marketing strategies except to the consuming public. Agreements between competing insurers on underwriting guidelines can be illegal, but adoption by one insurer of another's guidelines should not be. Form standardization is alright, in the absence of an agreement between competitors. Sharing underwriting and other resources to prevent fraud is acceptable, but not agreeing with a competitor on who to insure. The pooling of historical loss data is alright, but sharing loss development or trending data with a competitor may not be. Agents may pass information to an insurer that is reasonably necessary to negotiation of coverage of risks. Statistical data reporting among insurers is acceptable if limited in certain ways.

Conduct of Meetings with Competitors - Meeting with competitors at trade association meetings is acceptable, but GPM Life representatives must not urge others to change prices or change marketing strategy, privately or publicly.

Joint Ventures With Competitors - It is common for companies to form "alliances" with competitors where one company manufactures and another distributes a product or products. The companies must not, in carrying out such a venture, divide customers or markets, allocate territories, restrict sales volume, refuse to deal with other agents or prospects, or control their respective output of goods and services.

Tying or Bundling - Sellers sometimes require a buyer to purchase a product the buyer does not want in order to be allowed to buy a product he does want. Tying is generally illegal when the seller has some degree of power over the market for the product the buyer wants. GPM Life representatives must not tie products. For example, don't require a prospect to purchase a life policy in order to get an equity indexed annuity policy. If the buyer desires the products separately, and his freedom to purchase them separately is limited, the tying arrangement would be unlawful.

Exclusive Dealing - Division of customers or markets, or limitations on volume of production, if made between two competitors, is illegal. GPM Life representatives must not agree with competitors to deal exclusively with a given market segment, or to control their output in any way.

Discriminatory Pricing - While related to price fixing, described above, discriminatory pricing also includes charging a different premium or paying a different dividend or other non-guaranteed elements to persons of the same class and equal expectation of life, or paying a rebate to a prospect.

Rebates - Even though rebates are legal in some states, GPM Life forbids its representatives to offer or give anything of value not specified in the policy as an inducement to a prospect to purchase.

Misrepresentation - A basic principle of fair competition is to describe accurately GPM Life's and any competitor's products, benefits, dividends, and other non-guaranteed elements, financial standing, and reputation in dealing with prospects and clients.

GPM Life encourages employees and distributors to report violations of the principles of fair competition to the Legal Department.

IV. ADVERTISING PROCEDURES

PURPOSE

GPM Life recognizes the need for agents to use their own materials for some marketing efforts. The purpose of these procedures is to ensure that all communications materials not created in the Home Office conform to state insurance regulations and company guidelines.

APPROVAL PROCESS

A. Definitions

GPM Life requires that before a representative uses training or sales materials, he or she must obtain written approval of each item by the home office.

This requirement applies to any GPM Life materials where the audience will include policyholders, prospects, and/or the general public. These materials include but are not limited to:

- Internet Web Pages
- Sales promotional literature
- Sales aids (such as flip charts, reference sheets, third-party material, charts and graphs used as point-of-sale aids, slides, overheads, etc.)
- Product literature or descriptions of insurance.
- Paid advertisements, including scripts for audio/video tapes, as well as the tapes themselves.
- Direct Mail pieces/prospecting letters
- Agency-generated or agent-generated newsletters
- Agent or agency brochures
- Agent training, recruitment, and education pieces
- Business cards

The field is encouraged to use the Marketing Department as a resource in the writing and designing of sales materials.

B. General Procedures

When a representative needs to submit an item for approval, follow these steps:

1. Fax or mail the proposed item to Marketing, fax number (888) 305-4111 or (210) 357-2225.
2. Clearly indicate that the item is being submitted for approval.
3. Indicate how quickly approval is needed.
4. Describe the audience(s) for each item submitted, and how distribution will occur.
5. Include the full name, address, and phone number of GPM Life on all advertising pieces.
6. Marketing makes changes/corrections to the advertising copy...these changes/corrections are required to be made before the advertising copy is subject to further compliance review.
7. Simultaneously, Marketing will make any suggestions as to how to improve the advertising copy... these items may or may not be required in order for further compliance review to commence.
8. The revised advertising copy is forwarded to the GPM Life Compliance Committee (typically comprised of Actuarial, Legal, and Marketing representatives, as well as the Company Compliance Officer) for a formal compliance review on an "as soon as possible" basis.

9. The Representative makes the necessary changes/corrections to the advertising copy and returns the corrected copy to Marketing for inclusion in file;
10. Marketing then reviews the compliance file and gives permission to the Representative to use the advertising copy.

C. Turnaround Time

GPM Life will respond promptly to all field requests for approval of sales material. The field should allow adequate lead time for approval - usually a minimum of ten working days.

D. Paid Advertisements

In addition to the above, provide the Marketing Department with a sample of the advertisement as it appears in final form. For print ads, a tear sheet of the actual advertisement (not a photocopy or printer's proof sheet) which shows the name of the publication and its print date must be submitted. For radio or television ads, a tape of the segment must be submitted. For a billboard or other signage, a color photo must be submitted.

E. Standards for Advertising

See the section herein on "Describing the Product."

COMPANY RATINGS

A Best's Rating is an independent opinion based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile. This rating is assigned to companies that have an excellent ability to meeting ongoing obligations to policyholders. For details on the latest rating and the exact type, numerical order, scope, and extent of the rating, see the website: www.ambest.com.

You may compare GPM Life's ratings to the ratings of other companies as long as the competitive ratings are accurate and dated, the rating service and basis are cited, and the purpose, scope, limitations, and extent of the ratings are included.

STATISTICS

Ensure that statistical references are current, accurate, used with permission and noted as to the source and date.

TESTIMONIALS

Be certain that the testimonial is genuine, relevant, current, clearly written and that you have written permission to use it.

COPYRIGHTED MATERIAL

If you want to reproduce copyrighted material for use in sales or advertising, you must:

- A) Send the material to GPM Life for approval.
- B) Obtain written permission from the copyright owner.

A newspaper or magazine will often allow reproductions. To get permission:

- Contact the Editor and indicate the material you wish to copy, together with the issue it appeared in, the context in which it will be used, and its intended distribution. Some editors will request this information in writing, along with an agreement stating how the material will be used and assurance that the material will be printed in its entirety, with credit being given to the publication and author.
- If you receive verbal approval over the phone, be sure you follow up in writing.
- In addition to receiving permission from the publication in which an article appeared, you may also have to receive permission from the author if he/she is not employed by the publication.

Before you pay a copyright fee, first submit the material to GPM Life to be sure it is approvable.

SEMINARS

A seminar includes any oral presentation (and accompanying written/visual materials) at which a GPM Life Agent speaks on such topics as federal benefits, estate conservation, retirement planning, etc.

1. Seminar materials must be approved by GPM Life prior to use. This requirement includes all of the following:

Advertisements, invitations or flyers used to attract attendees.

Script or outline used as the basis for the presentation.

Visuals and overheads used or distributed at the seminar.

Written materials such as workbooks, handouts and brochures.

2. Identify yourself as an Agent of GPM Life.
3. Advise attendees prior to the start of the presentation that the seminar will examine the role that insurance and other financial products may play in the specific topics to be addressed.

1. Distribute the disclaimer listed below

This seminar is for informational purposes only. The speakers and presenters appearing at this seminar are solely responsible for the content of their presentations and may not necessarily represent the opinions of GPM Life. Neither GPM Life nor any of its agents are in the business of giving tax, legal, or accounting advice. Attendees should consult with their own professional advisors to determine the appropriateness of any course of action.

5. Affix the following disclaimer on all materials distributed to attendees at the seminar:

This seminar is for informational purposes only. You should consult your professional advisors for tax, legal or accounting advice.

6. Avoid giving tax, legal, accounting or other professional advice. Although you may comment on issues which have tax, legal or accounting aspects, specific recommendations or advice cannot be given in the presentation.

STATIONERY AND BUSINESS CARDS

When selling GPM Life insurance or other financial products, you are permitted to use your own stationery and business cards, provided you observe the following guidelines:

- Submit your letterhead and business card for approval.
- In any letter to a prospect or policyowner concerning a GPM Life product, GPM Life must be clearly identified within the body of the letter as the insurer issuing the policy or contract.
- Any letter which constitutes “advertising” of a GPM Life product must be pre-approved by GPM Life. The letter must make clear:

Who the insurer is with respect to each product, and

If another company’s product is mentioned, it must not imply that there is a relationship between GPM Life and that insurer, unless there is.

- Business cards with “Associates” in the business name are generally approvable for use. The secretaries, administrative assistants and other non-selling employees involved can be considered associates. Those involved in the selling process must be appointed with GPM Life, and contracted with GPM Life or a GPM Life agency.
- Some states require the agent’s license number to be contained on the business card.
- When using trade names such as “Smith Financial Group” or “Smith Financial Services”, the statement “Licensed Life Agents offering insurance and annuities” or a variation of this statement that clearly identifies the organization as an insurance-selling entity must be included on letterhead or business cards. Terms such as “Financial Group” or “Financial Services” may imply that the organization comprises fee-based financial planners, and should be avoided.
- The term “investments” cannot be part of a letterhead or business card since it implies solicitation of registered products.
- Your business name must be properly registered with the states in which you do business.

WRITING A LETTER

The following guidelines will assist you in writing an approvable letter:

- Keep the letter simple. Use clear and understandable language.
- Try to catch the reader's attention in the first few words or phrases. You want to arouse interest without causing fear or anxiety. Short, easy-to-read sentences and short paragraphs are usually the most effective.
- Focus on one topic.
- Indicate that life insurance and/or annuities are being offered. Avoid references to specific products, which would require a footnote.
- References to dividends should include the explanation at No. 4 under "Describing the Product."
- Do not use the terms "savings", "deposit", or "guaranteed" when describing life insurance. They tend to be associated with features of a savings account.
- When referring to rating services to emphasize Company strength, be sure the ratings are stated correctly and the basis for each rating is included. See "Company Ratings."
- Avoid references to Company assets as a show of strength, since this information is often difficult to summarize in an easily read format. Instead, you might want to enclose a copy of GPM Life's Annual Report.
- Avoid using statistics as an attention-getter. If you do use statistics, obtain permission and reference the source and date of the information in your letter. Be sure that the information is current (e.g., it is taken from the most recent study).
- Agents cannot use titles like those in "What You Do and What You Are," unless licensed as such.
- "P.S." messages generally get read more often than the body of the letter. You may want to add a "take action" phrase as a "P.S." at the end of your letter.
- Read the letter as if you were a consumer. Does it mislead? Is it confusing? If you have doubts, rewrite the letter.
- Be sure GPM Life has approved it before you send it, if it is advertising.