

Royal Neighbors of America®

Application for Simplified Issue Individual Whole Life Insurance



INSURING LIVES • SUPPORTING WOMEN • SERVING COMMUNITIESSM

230 16th St., Rock Island, IL 61201
(800) 627-4762 • www.royalneighbors.org





Royal Neighbors of America
230 16th Street
Rock Island, IL 61201
Toll-free (800) 627-4762
A Fraternal Benefit Society

Application for Simplified Issue
Individual Whole Life Insurance

Mail certificate to agent

PART 1

SECTION 1 – Proposed Insured

Name, Street, City, ST, ZIP, SSN/Tax ID, Sex, Phone, DOB, State/Country of birth, U.S. driver's license, Green Card, Passport, Other, ID number, ID issuer, ID expiration date, Are you a U.S. citizen?

SECTION 2 – Other Insurance

1. EXISTING or APPLIED FOR INSURANCE

Does the Proposed Insured have any existing or applied for life insurance or annuity contracts with this or any other company?

Yes No IF YES, complete state replacement forms, if required, with this application. Provide details:

Company Life Insurance Annuity Amount

2. REPLACEMENT

In connection with this application, has there been, or will there be, with this or any other company any: replacement of coverage; surrender transaction; loan; withdrawal; lapse; reduction or redirection of premium/consideration; or change transaction (except conversions) involving an annuity or other life insurance?

IF YES, complete state replacement forms, if required, with this application.

SECTION 3 – Proposed Owner

OWNER other than PROPOSED INSURED

Name, SSN/Tax ID, Street, Phone, DOB, City, ST, ZIP, Relationship to Proposed Insured, U.S. driver's license, Green Card, Passport, Other, ID number, ID issuer, ID expiration date, Are you a U.S. citizen?, If No, Permanent Resident ID #, Check if you wish ownership to revert to Insured upon Owner's death.*

SECTION 4 – Beneficiary(ies)

Multiple Beneficiaries will receive an equal percentage of proceeds unless otherwise instructed.

PRIMARY (Percent of proceeds %), CONTINGENT, Name, Street, City, ST, ZIP, DOB, SSN/Tax ID, Relationship to Proposed Insured



SECTION 5 – Information Regarding Specific Insurance Plan

1. LIFE INSURANCE PLAN

- Simplified Issue Whole Life Graded Death Benefit

2. RIDER

- Accelerated Living Benefit Rider (no additional premium; not available on face amounts below \$7,000)

3. FACE AMOUNT \$ _____

4. AUTOMATIC PREMIUM LOAN will be provided.

- No Check if APL is NOT desired.

SECTION 6 – Payment Information

If **Electronic Payment** is chosen, complete EFT form on page 4.

1. PAYMENT MODE (Check one)

- Direct bill: Annual Semi-Annual Quarterly
 Electronic payment: Annual Semi-Annual
 Quarterly Monthly Payment with app \$ _____
 Draft first payment Payment quoted \$ _____

2. BILLING ADDRESS INFORMATION

- Proposed Insured's address Primary Owner's address
 Other Premium Payor's/Alternate billing address (details below)
 Name _____
 Street _____
 City _____ ST _____ ZIP _____

PART 2

SECTION 1 – Physician Information

Please provide name of doctor, practitioner, or health care facility who can provide the most complete and up-to-date information concerning the present health of the Proposed Insured.

Physician name/Clinic _____ City _____ ST _____ ZIP _____

List all currently prescribed medications: _____

SECTION 2 – Medical Questions

1. Has the proposed Insured used tobacco in any form in the last 12 months? Yes No

If any answer to questions 2 through 7 is YES, the Proposed Insured is not eligible for ANY coverage.

2. Is the Proposed Insured currently:
 a. Hospitalized, in a nursing facility, or receiving Hospice Care? Yes No
 b. Confined to a wheelchair, bed, or using oxygen equipment to assist in breathing? Yes No

3. Has a member of the medical profession ever diagnosed or treated the Proposed Insured for Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or any immune deficiency disease; or has the Proposed Insured tested positive for the Human Immunodeficiency Virus (HIV)? Yes No

4. Has the Proposed Insured ever been diagnosed as having or been treated for:
 a. Congestive heart failure, or had or been recommended to have an organ transplant? Yes No
 b. Insulin shock, diabetic coma, amputation caused by disease, or taken insulin shots prior to age 30? Yes No
 c. Dementia, Alzheimer's Disease, or mental incapacity? Yes No

5. During the past 18 months has the Proposed Insured been diagnosed as having:
 a. Stroke, aneurysm, cardiomyopathy, or circulatory surgery? Yes No
 b. Angina (chest pain), heart attack or failure, or heart surgery? Yes No

6. During the past 24 months, has the Proposed Insured been diagnosed as having, or been treated for:
 a. Internal Cancer, Melanoma, or Leukemia? Yes No
 b. Cirrhosis, liver disease, kidney failure (including dialysis), chronic kidney disease, or systemic lupus? Yes No

7. During the past 18 months, has the Proposed Insured been diagnosed as having:
 a. A condition expected to result in death within 12 months? Yes No
 b. Been advised by a medical professional to have any diagnostic testing which has not been completed or for which the results have not been received? Yes No
 c. Been recommended by a physician to have treatment or counseling for alcohol or drug abuse? Yes No

If question 8 or 9 is YES, only Graded Death Benefit is available.

8. During the past 24 months, has the Proposed Insured been diagnosed as having, or been treated for:
 a. Stroke, angina (chest pain), heart attack, or cardiomyopathy? Yes No
 b. Heart or circulatory surgery (including pacemaker, heart valve replacement, bypass, angioplasty, stent implant, or any procedure to improve circulation to the heart or brain)? Yes No

9. During the past 24 months, has the Proposed Insured been diagnosed as having, or been treated for:
 a. Emphysema, chronic obstructive pulmonary disease (COPD), or tuberculosis (TB)? Yes No
 b. Neuromuscular disease (including Multiple Sclerosis, Lou Gehrig's Disease, Epilepsy, or Parkinson's Disease)? Yes No



Agreement/Acknowledgement

Agreement/Disclosure: To the best of my knowledge and belief, all statements in my application for life insurance including any amendments and supplements are true and complete. I also agree that:

- My statements in the application and any amendment(s), paramedical/medical exam, and supplement(s) are the basis of any certificate issued and will be attached to and, along with the articles of incorporation and bylaws of Royal Neighbors, become part of the new certificate.
- No information will be deemed to have been given to Royal Neighbors unless it is stated in the application and amendment(s), paramedical/medical exam, and any supplement(s).
- Only authorized officers of Royal Neighbors may: a) make or change any contract of insurance; b) make a binding promise about insurance; or c) change or waive any term of an application, receipt, or certificate.
- If not a current member, I, the Proposed Insured, hereby apply to become a member of Royal Neighbors as indicated by my signature on the application. As a member, I agree to uphold the principles of Faith, Unselfishness, Courage, Endurance, and Humility upon which Royal Neighbors was founded more than 100 years ago.

Authorization

I, the Proposed Insured, hereby authorize any licensed physician, medical practitioner, hospital, clinic, laboratory, pharmacy, pharmacy benefit manager, or other medical facility, insurance or reinsurance company, MIB, Inc., consumer reporting agency, division of motor vehicles, the veterans administration, or other government agency or department having information as to the diagnosis, treatment, or prognosis with respect to any physical or mental condition, or having any non-medical information, concerning me to release and disclose the entire medical record and any other protected health or other information concerning me within the past 10 years, without restriction, to Royal Neighbors, its agents, employees, or representatives. I further authorize Royal Neighbors, or its reinsurers, to make a brief report of my personal health information to MIB. This includes information on the treatment of alcohol, drug, and tobacco abuse, and psychiatric diagnosis and treatment. **In order to facilitate the rapid transmission of such information, I authorize all the sources named above, except MIB, to give such information to any legal representative or agent employed by Royal Neighbors.**

I understand that the protected information is to be disclosed under this authorization so that Royal Neighbors may underwrite my application for life insurance, determine my eligibility for insurance, risk rating, or certificate issuance determinations, administer claims and determine or fulfill responsibility for coverage and provision of benefits, administer coverage, and conduct other legally permissible activities that relate to any coverage I have applied for with Royal Neighbors. Any protected information obtained will not be released by Royal Neighbors to any person or organization EXCEPT to other divisions and/or departments of Royal Neighbors, MIB, other life/health insurance organizations or fraternal benefit societies with which I have insurance contracts or to whom I may apply for insurance or to whom a claim for benefits may be submitted, or other persons or organizations performing business or legal services in connection with my application, insurance certificate(s), or claim for benefits or as may be otherwise lawfully required or as I may further authorize.

I understand that this authorization shall remain in force for 24 months from the date signed if used in connection with an application for life insurance certificate, an application for reinstatement of a life insurance certificate, or a request for change in certificate benefits; or for the duration of a claim if used for the purpose of collecting information in connection with a claim for benefits under a certificate.

I understand and agree that a copy of this authorization is as valid as the original and that I or my authorized representative is entitled to receive a copy. I understand that this authorization may be revoked by me at any time in writing, and if I refuse to sign or if I subsequently revoke this authorization, Royal Neighbors may not be able to process this application, and if coverage has been issued, may not be able to process any benefit payments. I agree that Royal Neighbors shall be fully protected if it acts in reliance on this authorization prior to receiving notice of revocation at its Home Office or to the extent that Royal Neighbors has a legal right to contest a claim under an insurance contract. Any information that is disclosed pursuant to this authorization may be re-disclosed as provided herein or as required or authorized by law and may then no longer be covered by federal rules governing privacy and confidentiality of health information.

NO IMMEDIATE LIFE INSURANCE COVERAGE: Royal Neighbors will have no liability under this application unless and until: a) it has been received and approved by Royal Neighbors at its Home Office; b) the certificate has been issued and delivered to the owner; c) the first premium has been paid to and accepted by Royal Neighbors (If the first premium is to be electronically drafted, then the premium has not been "paid" until honored by the financial institution.); and d) at the time of delivery and payment, the facts concerning the insurability of the Insured are as stated in this application.

SIGNATURES:



Signed at city, state _____ Date _____

Proposed Insured _____



Signed at city, state _____ Date _____

Proposed Owner _____

(If other than Proposed Insured)



Agent's Report

Does the Proposed Insured applied for or have any existing life insurance or annuity contracts with this or any other company?

Yes No **IF YES**, complete state replacement forms, if required, with this application. Provide details:

Company _____ Life Insurance Annuity Amount _____

In connection with this application, has there been, or will there be, with this or any other company any: replacement of coverage; surrender transaction; loan; withdrawal; lapse; reduction or redirection of premium/consideration; or change transaction (except conversions) involving an annuity or other life insurance? Yes No

IF YES, complete state replacement forms, if required, with this application.

Did you use only written sales material approved for use by Royal Neighbors? Yes No

Did you complete any required state disclosure statements? Yes **IF YES**, state(s): _____ No

Did you personally review the Owner's ID? Yes No Was the Proposed Insured with you at the time of the application? Yes No

Agent no. _____ Agent license no. _____

Certification: I certify that the information provided is true and complete.



Signature of Writing Agent _____ Date _____

Printed name of Writing Agent _____

If applicable, complete and sign the following statement(s):

Agent Signature _____ Date _____

Agent Name _____ ID Number _____ Percent _____
Please print

Agent Signature _____ Date _____

Agent Name _____ ID Number _____ Percent _____
Please print

INSURING LIVES • SUPPORTING WOMEN • SERVING COMMUNITIES™



Royal Neighbors of America
230 16th St., Rock Island, IL 61201
(800) 627-4762

A Fraternal Benefit Society

Authorization for Electronic Funds Transfer (EFT)

I authorize Royal Neighbors of America (Royal Neighbors) and my financial institution to initiate automatic withdrawals from my checking/savings account. This authority will remain in effect until I notify Royal Neighbors or the bank to cancel it in such time as to afford a reasonable opportunity to act on the request. I can stop payment of any withdrawal by notifying Royal Neighbors three days before my scheduled withdrawal day. Royal Neighbors reserves the option to change the method of payment to another qualifying mode after the occurrence of a transaction not honored.

Check box to use bank information from attached voided check. Form must still be signed and payment selected.

Name of financial institution _____

City _____ ST _____

Name (please print) _____ Phone number () _____

Street address/PO Box _____

City _____ ST _____ ZIP _____

I would like the payment withdrawn on the _____ day of the month

OR the _____2nd _____3rd _____4th Wednesday of the month. (If nothing is selected it defaults to the 5th day of the month.)

Routing No. _____ Checking account no. _____

OR Savings account no. _____

Debit card numbers are not acceptable.



Signature _____ Date _____

PLEASE RETURN THIS AUTHORIZATION WITH A VOIDED CHECK.



This page is to be detached, read, and retained by the Proposed Insured.

FRAUD NOTICE/WARNING: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

MIB, Inc., Notice

Information regarding your insurability will be treated as confidential. Royal Neighbors of America (Royal Neighbors) or its reinsurers may make a brief report thereon to the MIB, Inc., formerly known as Medical Information Bureau, a not-for-profit membership organization of insurance companies which operates an information exchange on behalf of its members. If you apply to another MIB member company for life or health insurance coverage, or if a claim for benefits is submitted to such company, MIB, upon request, will supply such company with the information in its file.

Upon receipt of a request from you, MIB will arrange disclosure of any information it may have in your file. Please contact MIB at (866) 692-6901, TTY (866) 346-3642. If you question the accuracy of information in MIB's file, you may contact MIB and seek a correction in accordance with the procedures set forth in the federal Fair Credit Report Act. The address of MIB's information office is: MIB, 50 Braintree Hill Park, Suite 400, Braintree, MA 02184.

Royal Neighbors or its reinsurers may also release information in its file to other insurance companies to whom you apply for life or health insurance, or to whom a claim for benefits may be submitted. Information for consumers about MIB may be obtained on its website at www.mib.com.

Fair Credit Report Act Notice

This is to inform you that as part of our underwriting procedures in connection with this application, an investigative consumer report may be obtained on the Proposed Insured. This report will provide applicable information concerning character, general reputation, personal characteristics, and mode of living.* This information will be obtained through personal interviews with neighbors, friends, and associates. You may request to be interviewed in connection with the preparation of the investigative consumer report. You have the right to make a written request within a reasonable period of time to receive additional detailed information about the nature and scope of this investigation. No information collected concerning the sexual orientation of the Proposed Insured will be used to determine her or his eligibility for life insurance.

**Information obtained will not be used to determine sexual orientation.*

Royal Neighbors of America
230 16th St., Rock Island, IL 61201
(800) 627-4762 • www.royalneighbors.org



This page is intentionally left blank.

Royal Neighbors of America
230 16th St., Rock Island, IL 61201
(800) 627-4762 • www.royalneighbors.org



A Fraternal Benefit Society
Incorporated in 1895



INSURING LIVES • SUPPORTING WOMEN • SERVING COMMUNITIES™

Royal Neighbors of America
Home Office
230 Sixteenth St.
Rock Island, IL 61201
(800) 627-4762
(309) 788-4561
www.royalneighbors.org

Please check the box for each rider applied for.

**Accelerated Gross Death Benefit Rider – Terminal Illness
Rider Disclosure Statement**

The rider provides prepayment, to the Owner, a portion of the Death Benefit of the Certificate to which the rider is attached when Royal Neighbors receives written proof that the Insured has been certified by a Physician as having a Terminal Illness pursuant to the terms of the rider. There is no premium or cost of insurance charged for the rider.

IMPORTANT NOTICE

This is a life insurance rider providing for an accelerated gross death benefit payment of the certificate to which it is attached. Payment of an accelerated gross death benefit will result in a reduction of the gross death benefit and cash, loan or accumulation values of the certificate and either premiums or cost of insurance charges, as applicable.

Although the payments made under this rider are intended to qualify for favorable tax treatment under Section 101(g) of the Internal Revenue Code, as amended, receipt of accelerated gross death benefits may be taxable or may affect the owners' eligibility for benefits under state or federal law. The owner should consult with her or his personal tax advisor and social service agencies before requesting accelerated death benefits under this rider.

Royal Neighbors will pay the accelerated benefit, at the Owner's request, subject to the provisions of the rider, if the Insured is diagnosed as having a Terminal Illness. A Terminal Illness is an illness or physical injury, certified by a Physician, which is reasonably expected to result in a drastically limited life span for the Insured. The Terminal Illness cannot be the result of an intentional self-inflicted injury.

Upon written request by the Owner of the certificate, Royal Neighbors will pay an accelerated death benefit described below, subject to the limitation and requirements outlined in the Accelerated Gross Death Benefit Rider. Any assignee or irrevocable beneficiary must consent before Royal Neighbors pays an accelerated death benefit.

The Owner may request an acceleration of a portion of the death benefit in an amount not to exceed the lesser of 90% of the eligible coverage or \$450,000. Amounts accelerated under this rider and other accelerated benefit rider issued by Royal Neighbors covering the Insured will count toward that maximum.

Any accidental death coverage provided in the Certificate or by a rider, if any, will not be affected by the payment of the accelerated benefit under the rider.

A \$250 Administrative Fee will be charged at time of acceleration

The following charts show the effect of an accelerated benefit payment for both a Universal and Whole Life Insurance Certificate. The examples shown are illustrative only and are not intended to show actual values.

Universal Life					
Before Acceleration		Requested Acceleration		After Acceleration	
Death Benefit	\$100,000.00	Acceleration Percentage 90%	\$90,000.00	Death Benefit	\$10,000.00
Cash Value	\$7,704.24			Cash Value	\$770.42
Loan Balance	\$1,200.00			Loan Balance	\$120.00
Monthly Deduction	\$27.99			Monthly Deduction	\$13.32
		Less Acceleration Discount	\$2,860.00		
		Less Administrative Fee	\$250.00		
		Less Accelerated Loan Balance	\$1,080.00		
		Net Payment to Owner	\$85,810.00		

Whole Life					
Before Acceleration		Requested Acceleration		After Acceleration	
Death Benefit	\$100,000.00	Acceleration Percentage 90%	\$90,000.00	Death Benefit	\$10,000.00
Cash Value	\$13,887.00			Cash Value	\$1,388.70
Loan Balance	\$12,000.00			Loan Balance	\$1,200.00
Annualized Premium	\$2,272.00			Annualized Premium	\$272.20
		Less Acceleration Discount	\$2,860.00		
		Less Administrative Fee	\$250.00		
		Less Accelerated Loan Balance	\$10,800.00		
		Net Payment to Owner	\$76,090.00		

**☐ Accelerated Gross Death Benefit Rider – Chronic Illness
Rider Disclosure Statement**

The rider provides prepayment, to the Owner, a portion of the Death Benefit of the Certificate to which the rider is attached when Royal Neighbors receives written proof that the Insured has been certified by a Licensed Health Care Practitioner as having a Chronic Illness pursuant to the terms of the rider. There is no premium or cost of insurance charged for the rider.

IMPORTANT NOTICE

This is a life insurance rider providing for an accelerated gross death benefit payment of the Certificate to which it is attached. Payment of an accelerated gross death benefit will result in a reduction of the gross death benefit and cash, loan, or accumulation values of the certificate and either premiums or cost of insurance charges, as applicable.

Although the payments made under this rider are intended to qualify for favorable tax treatment under Section 101(g) and 7702B of the Internal Revenue Code, as amended, receipt of accelerated gross death benefits may be taxable or may affect the owners' eligibility for benefits under state or federal law. The Owner should consult with her or his personal tax advisor and social service agencies before requesting accelerated death benefits under this rider.

Royal Neighbors will pay the accelerated benefit, at the Owner's request, subject to the provisions of the rider, if the Insured is diagnosed as having a Chronic Illness. A Chronic Illness is a disease, injury or condition causing an individual to be reasonably determined to be permanently:

- 1) Unable to perform 2 or more Activities of daily living (without substantial assistance of another individual) for a period of at least 90 days due to loss of functional capacity, or
- 2) Requiring an individual to need Substantial Supervision to protect the individual from threats to health or safety due to Severe Cognitive Impairment.

Upon written request by the Owner of the certificate, Royal Neighbors will pay an accelerated death benefit described below, subject to the limitation and requirements outlined in the Accelerated Gross Death Benefit Rider. Any assignee or irrevocable beneficiary must consent before Royal Neighbors pays an accelerated death benefit.

The Owner may request an acceleration of a portion of the death benefit in an amount not to exceed the lesser of 80% of the eligible coverage or \$400,000. Amounts accelerated under this rider and any other accelerated benefit rider issued by Royal Neighbors covering the Insured will count toward that maximum.

Any accidental death coverage provided in the Certificate or by a rider, if any, will not be affected by the payment of the accelerated benefit under the rider.

A \$250 Administrative Fee will be charged at time of acceleration.

The following charts show the effect of an accelerated benefit payment for both a Universal and a Whole Life Insurance Certificate. The examples shown are illustrative only and are not intended to show actual values.

Universal Life					
Before Acceleration		Requested Acceleration		After Acceleration	
Death Benefit	\$125,000.00	Acceleration Percentage 80%	\$100,000.00	Death Benefit	\$25,000.00
Cash Value	\$17,083.34			Cash Value	\$3,416.67
Loan Balance	\$12,000.00			Loan Balance	\$2,400.00
Monthly Deduction	\$71.95			Monthly Deduction	\$65.32
		Less Acceleration Discount	\$15,042.16		
		Less Administrative Fee	\$250.00		
		Less Accelerated Loan Balance	\$9,600.00		
		Net Payment to Owner	\$75,107.84		

Whole Life					
Before Acceleration		Requested Acceleration		After Acceleration	
Death Benefit	\$125,000.00	Acceleration Percentage 80%	\$100,000.00	Death Benefit	\$25,000.00
Cash Value	\$19,005.00			Cash Value	\$3,801.00
Loan Balance	\$12,000.00			Loan Balance	\$2,400.00
Annualized Premium	\$2,951.88			Annualized Premium	\$632.16
		Less Acceleration Discount	\$15,042.16		
		Less Administrative Fee	\$250.00		
		Less Accelerated Loan Balance	\$9,600.00		
		Net Payment to Owner	\$75,107.84		

**Accelerated Gross Death Benefit Rider – Critical Illness
Rider Disclosure Statement**

The rider provides prepayment, to the Owner, a portion of the Death Benefit of the Certificate to which the rider is attached when Royal Neighbors receives written proof that the Insured had been certified by a Physician as having a Critical Illness pursuant to the terms of the rider. There is no premium or cost of insurance charged for the rider.

IMPORTANT NOTICE

This is a life insurance rider providing for an accelerated gross death benefit payment of the Certificate to which it is attached. Payment of an accelerated gross death benefit will result in a reduction of the gross death benefit and cash, loan or accumulation values of the certificate and either premiums or cost of insurance charges, as applicable.

Choosing this rider may affect the Owner's eligibility for high deductible health insurance plans. The Owner should consult with her or his personal tax advisor and social service agencies before requesting accelerated death benefits under this rider.

Royal Neighbors will pay the accelerated benefit, at the Owner's request, subject to the provisions of the rider, if the Insured is diagnosed as having a Critical Illness. A Critical Illness is defined in the rider as one or more of the following:

1. Cancer
2. Heart Attack
3. Stroke
4. Paralysis
5. End Stage Renal Failure
6. Major Organ Transplant

Upon written request by the Owner of the Certificate, Royal Neighbors will pay an accelerated death benefit described below, subject to the limitation and requirements outlined in the Accelerated Gross Death Benefit Rider. Any assignee or irrevocable beneficiary must consent before Royal Neighbors pays an accelerated death benefit.

The Owner may request an acceleration of a portion of the death benefit in an amount not to exceed the lesser of 25% of the eligible coverage or \$100,000. Amounts accelerated under this rider and any other accelerated benefit rider issued by Royal Neighbors covering the Insured will count toward that maximum.

Any accidental death coverage provided in the Certificate or by a rider, if any, will not be affected by the payment of the accelerated benefit under the rider.

A \$250 Administrative Fee will be charged at time of acceleration.

The following charts show the effect of an accelerated benefit payment for a both a Universal Insurance and a Whole Certificate. The examples shown are illustrative only and are not intended to show actual values.

Universal Life					
Before Acceleration		Requested Acceleration		After Acceleration	
Death Benefit	\$100,000.00	Acceleration Percentage 25%	\$25,000.00	Death Benefit	\$75,000.00
Cash Value	\$13,431.17			Cash Value	\$10,073.38
Loan Balance	\$12,000.00			Loan Balance	\$9,000.00
Monthly Deduction	\$59.15			Monthly Deduction	\$50.93
		Less Acceleration Discount	\$15,799.27		
		Less Administrative Fee	\$250.00		
		Less Accelerated Loan Balance	\$3,000.00		
		Net Payment to Owner	\$5,950.73		

Whole Life					
Before Acceleration		Requested Acceleration		After Acceleration	
Death Benefit	\$100,000.00	Acceleration Percentage 25%	\$25,000.00	Death Benefit	\$75,000.00
Cash Value	\$15,204.00			Cash Value	\$11,403.00
Loan Balance	\$12,000.00			Loan Balance	\$9,000.00
Annualized Premium	\$2,371.92			Annualized Premium	\$1,792.08
		Less Acceleration Discount	\$15,799.27		
		Less Administrative Fee	\$250.00		
		Less Accelerated Loan Balance	\$3,000.00		
		Net Payment to Owner	\$5,950.73		

I acknowledge that I have received and read this disclosure statement which has been furnished to me on this date.

Proposed Insured Signature _____ Date _____

Proposed Owner Signature _____ Date _____

Agent Signature _____ Date _____



IMPORTANT NOTICE REGARDING REPLACEMENT

DEFINITION: REPLACEMENT IS any transaction where, in connection with the purchase of New Insurance or a New Annuity, you LAPSE, SURRENDER, CONVERT to Paid-up Insurance, Place on Extended Term, or BORROW all or part of the certificate loan values on an existing insurance certificate or an annuity (See reverse side for DEFINITIONS).

IF YOU INTEND TO REPLACE COVERAGE: In connection with the purchase of this insurance or annuity, if you have REPLACED or intend to REPLACE your present life insurance coverage or annuity(ies), you should be certain that you understand all the relevant factors involved. You should BE AWARE that you may be required to provide (EVIDENCE OF INSURABILITY) and

- 1) If your HEALTH condition has CHANGED since the application was taken on your present certificates, you may be required to pay ADDITIONAL PREMIUMS under the NEW CERTIFICATE, or be DENIED coverage.
- 2) Your present occupation or activities (may not be covered or could require additional premiums.)
- 3) The INCONTESTABLE and SUICIDE CLAUSE will begin anew in a new certificate. This could RESULT in a (CLAIM under the new certificate BEING DENIED) that would otherwise have been paid.
- 4) Current law DOES NOT REQUIRE your present insurer(s) to REFUND any premiums.
- 5) It is to your advantage to OBTAIN INFORMATION regarding your existing certificates or annuity contracts (from the insurer or agent from whom you purchased the certificate or annuity contract.)

(If you are purchasing an annuity, clauses (1), (2), and (3) above would not apply to the new annuity contract.)

THE INSURANCE OR ANNUITY I INTEND TO PURCHASE FROM ROYAL NEIGHBORS OF AMERICA MAY REPLACE OR ALTER EXISTING LIFE INSURANCE CERTIFICATE(S) OR ANNUITY CONTRACT(S).

The following certificate(s) or annuity contract(s) may be replaced as a result of this transaction:

(Insurer as it appears on the certificate or contract)	(Insured as it appears on the certificate or contract)
_____	_____
_____	_____
_____	_____
_____	_____

(Certificate or Contract Number)	(Insured Birthdate)
_____	_____
_____	_____
_____	_____
_____	_____

The proposed certificate or contract is:

_____	\$	_____
Type of certificate generic name		Face Amount

_____	_____
Signature of applicant	Date

_____	_____	_____
Address of applicant	City	State

I certify that this form was given to and completed by

(Applicant-please print or type)

prior to taking an application and that I am leaving a signed copy for the applicant

_____	_____
Agent's signature	Date

_____	_____	_____
Address	City	State



DEFINITIONS

PREMIUMS: Premiums are the payments you make in exchange for an insurance certificate or annuity contract. They are unlike deposits in a savings or investment program, because if you drop the policy or contract, you might get back less than you paid in.

CASH SURRENDER VALUE: This is the amount of money you can get in cash if you surrender your life insurance policy or annuity. If there is a policy loan, the cash surrender value is the difference between the cash value printed in the policy and the loan value. Not all policies have cash surrender values.

LAPSE: A life insurance policy may lapse when you do not pay the premiums within the grace period. If you had a cash surrender value, the insurer might change your policy to as much extended term insurance or paid-up insurance as the cash surrender value will buy. Sometimes the policy lets the insurer borrow from the cash surrender value to pay the premiums.

SURRENDER: You surrender a life insurance policy when you either let it lapse or tell the company you want to drop it. Whenever a policy has a cash surrender value, you can get it in cash if you return the policy to the company with a written request. Most insurers will also let you exchange the cash value of the policy for paid-up or extended term insurance.

CONVERT TO PAID-UP INSURANCE: This means you use your cash surrender value to change your insurance to a paid-up policy with the same insurer. The death benefit generally will be lower than under the old policy, but you will not have to pay any more premiums.

PLACE ON EXTENDED TERM: This means you use your cash surrender value to change your insurance to term insurance with the same insurer. In this case, the net death benefit will be the same as before. However, you will only be covered for a specified period of time stated in the policy.

BORROW POLICY LOAN VALUES: If your life insurance policy has a cash surrender value, you can almost always borrow all or part of it from the insurer. Interest will be charged according to the terms of the policy, and if the loan with unpaid interest ever exceeds the cash surrender value, your policy will be surrendered. If you die, the amount of the loan and any unpaid interest due will be subtracted from the death benefits.

EVIDENCE OF INSURABILITY: This means proof that you are an acceptable risk. You have to meet the insurer's standards regarding age, health, occupation, etc., to be eligible for coverage.

INCONTESTABLE CLAUSE: This says that after two years, depending on the policy or insurer, the life insurer will not resist a claim because you made a false or incomplete statement when you applied for the policy. For the early years, though, if there are wrong answers on the application and the insurer finds out about them, the insurer can deny a claim as if the policy had never existed.

SUICIDE CLAUSE: This says that if you commit suicide after being insured for less than two years, depending on the policy and insurer, your beneficiaries will receive only a refund of the premiums that were paid.



Replacement Questionnaire

Existing Life Insurance or Annuity

Name of existing insurer: _____
 Date issued: _____
 Type of plan: _____
 Face amount (if life insurance): \$ _____
 Premium amt: \$ _____ mode: A/S/Q/PAC/OTHER
 Identify if premiums are increasing/decreasing/level/paid-up
 Riders (type and premium paid) _____
 Is the contract receiving dividends (participating)? yes/no
 Has the contestable period expired? yes / no
 Has the suicide period expired? yes / no
 If universal life or annuity, list
 the guaranteed interest rate of the contract _____ %
 If universal life, will the planned premium carry the contract to
 maturity at the guaranteed interest rate? yes / no
**State the total amount(s) of applicable surrender/withdrawal charges
 that the contract will be charged if replaced: \$ _____**

Proposed Royal Neighbors of America Life Insurance or Annuity

Name of proposed insurer: Royal Neighbors of America
 Date issued: not applicable
 Type of plan: _____
 Proposed face amount (if life insurance): \$ _____
 Proposed premium amt: \$ _____ mode: A/S/Q/PAC
 Identify if premiums will be increasing/decreasing/level/paid-up
 Proposed riders (type and premium) _____
 Will the proposed contract be participating in dividends? yes / no
 Will the proposed contract have a contestable period? yes / no
 Will the proposed contract have a suicide period? yes / no
 If proposed contract is a universal life or annuity list
 the guaranteed interest rate _____ %
 If proposed contract is a universal life, will the planned premium
 carry the contract to maturity at the non-guaranteed midpoint
 rate? yes / no
**Will the proposed contract have new surrender or withdrawal
 charges on it? yes / no**

The reason(s) the existing life insurance or annuity is not suitable for the insured/annuitant's present needs is because: _____

If the proposed insurance is universal life, or term life that is or may be annual renewable, has the proposed insured been advised that the cost of insurance or premiums will increase with each attained age? yes / no / na

If the present life insurance is universal adjustable life, has the insured been advised that she/he should contact their present insurer to inquire whether the present coverage can be changed contractually to meet the insured's current needs? yes / no / na

Will the proposed replacement involve an Internal Revenue Section 1035 Exchange or Direct Rollover? yes / no / na

Has the proposed applicant/petitioner been advised that if a policy loan is extinguished by a cash surrender or in connection with a Section 1035 Exchange, any gain will be recognized to the extent of the cash or other non-like kind property received and may be subject to income tax liability at the time of the transaction? yes / no / na

I have read and understand the information stated above regarding some of the advantages and disadvantages of replacing my existing life insurance coverage or annuity contract with a new life insurance or annuity certificate issued by Royal Neighbors of America. I also understand that the new certificate may have suicide and contestable provisions, which may affect the payment of a claim made under the new certificate.

Signature of the applicant or petitioner

Signature of Agent

Date

Date

Date of application for Royal Neighbors of America life insurance or annuity

Agent ID#

white copy-Home Office yellow copy-agent. file pink copy-applicant or petitioner