



PILLAR LIFE INSURANCE COMPANY

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Notice of Replacement of Life Insurance or Annuities

Important Notice: Replacement of Life Insurance or Annuities.

This notice must be signed by the applicant(s) and the insurance producer. Send the original to Pillar Life Insurance Company and a copy is to be left with the applicant(s).

1. Notice.

You are contemplating the purchase of a life insurance policy or annuity contract. In some cases this purchase may involve discontinuing or changing an existing policy or contract. If so, a replacement is occurring. Financed purchases are also considered replacements.

A replacement occurs when a new policy or contract is purchased and, in connection with the sale, you discontinue making premium payments on the existing policy or contract, or an existing policy or contract is surrendered, forfeited, assigned to the replacing insurer, or otherwise terminated or used in a financial purchase.

A financed purchase occurs when the purchase of a new life insurance policy involves the use of funds obtained by the withdrawal or surrender of or by borrowing some or all of the policy values, including accumulated dividends, of an existing policy or contract to pay all or part of any premium or payment due on the new policy. A financed purchase is a replacement.

You should carefully consider whether a replacement is in your best interests. You will pay acquisition costs and there may be surrender costs deducted from your policy or contract. You may be able to make changes to your existing policy or contract to meet your insurance needs at less cost. A financed purchase will reduce the value of your existing policy and may reduce the amount paid upon the death of the insured individual.

We want you to understand the effects of replacements before you make your purchase decision and ask that you answer the following questions and consider the questions of the following page of this form.

- A. Are you considering discontinuing making premium payments, surrendering, forfeiting, assigning to the insurer or otherwise terminating your existing policy or contract?
B. Are you considering using funds from your existing policies or contracts to pay premiums due on the new policy or contract?
C. If you answered "Yes" to either of the above questions, list each existing policy or contract you are contemplating replacing...

Table with 4 columns: Insurer Name, Contract/Policy #, Name of Insured or Annuitant, Replaced (R) or Financing (F). Contains three rows of blank lines for data entry.

Make sure you know the facts. Contact your existing company or its agent for information about the old policy or contract. If you request, an in force illustration, policy summary or available disclosure documents must be sent to you by the existing insurer.

D. The existing policy or contract is being replaced because _____

2. Acknowledgement.

I(We) certify that the responses herein are, to the best of my(our) knowledge, accurate.

Owner Signature: _____ Date: _____

Owner Signature: _____ Date: _____

I(We) do not want this notice read aloud to me(us). Initials _____ (Applicants must initial only if they do not want the notice read aloud.)

3. Important Replacement Issues.

A replacement may not be in your best interest, or your decision could be a good one. You should make a careful comparison of the costs and benefits of your existing policy or contract and the proposed policy or contract. One way to do this is to ask the company or agent that sold you your existing policy or contract to provide you with information concerning your existing policy or contract. This may include an illustration of how your existing policy or contract is working now and how it would perform in the future based on certain assumptions. Illustrations should not, however, be used as a sole basis to compare policies or contracts. You should discuss the following with your agent to determine whether replacement or financing your purchase makes sense.

Premiums

- Are they affordable?
- Could they change?
- You're older – are premiums higher for the proposed new policy?
- How long will you have to pay premiums on the new policy? On the old policy?

Policy Value

- Acquisition costs for the old policy may have been paid, and you may incur costs for the new one.
- What surrender charges to the policies have?
- What expense and sales charges will you pay on the new policy?
- Does the new policy provide more insurance coverage?

Insurability

- If your health has changed since you bought your old policy, the new one could cost you more, or you could be turned down.
- You may need a medical exam for a new policy.
- Claims on most new policies for up to the first two years can be denied based on inaccurate statements.
- Suicide limitations may begin anew on the new coverage.

If you are keeping the old policy as well as the new policy

- How are premiums for both policies being paid?
- How will the premiums on your existing policy be affected?
- Will a loan be deducted from death benefits?
- What value from the old policy are being used to pay premiums?

If you are surrendering an annuity or interest sensitive life product

- Will you pay surrender charges on your old contract?
- What are the interest rate guarantees for the new contract?
- Have you compared the contract charges or other policy expenses?

Other issues to consider for all transactions

- What are the tax consequences of buying the new policy?
- Is this a tax-free exchange? (See your tax advisor.)
- Is there a benefit from favorable "grandfathered" treatment of the old policy under the federal tax code?
- Will the existing insurer be willing to modify the old policy?
- How does the quality and financial stability of the new company compare with your existing company?

4. Insurance Producer.

Name: _____

Copies of any and all "individualized" sales materials, including illustrations related to the specific annuity contract, used in the presentation must be provided to Pillar Life Insurance Company.

I certify that: (a) the responses herein are, to the best of my knowledge, accurate; (b) I have left with the applicant(s) copies of all sales materials used in my presentation; and (c) the following preprinted or electronically presented carrier-approved materials were used in my presentation (please list by title and form number):

Broker Signature: _____

Date: _____