

Underwriting Criteria and Requirements

All Products Except Survivor Life UL

Underwriting Criteria

Preferred Plus

Preferred

Impairments	No personal history of disease or impairment that would affect mortality	No personal history of disease or impairment that would affect mortality
Blood Pressure	Currently well controlled with or without treatment, with no readings in the past two years greater than 136/86	Currently well controlled with or without treatment, with no readings in the past two years greater than 146/90
Family History	No cardiovascular disease or cancer in either parent or siblings before age 60	No cardiovascular or cancer death in either parent before age 60
Driving History	No more than 2 moving violations in last 3 years. No DWI, DUI, reckless driving, license revocation or suspension in last 5 years.	No more than 2 moving violations in last 3 years. No DWI, DUI, reckless driving, license revocation or suspension in last 5 years.
Tobacco Use	No use of tobacco or nicotine-based products in last 36 months	No use of tobacco or nicotine-based products in last 24 months
Cancer History	Only available on certain types of skin cancer	Only available on certain types of skin cancer
Cholesterol	May not exceed 220 with or without treatment	May not exceed 250 with or without treatment
Chol/HDL Ratio	May not exceed 5.0 with or without treatment	May not exceed 6.0 with or without treatment
Substance/Alcohol Abuse	No abuse	No abuse in past 10 years
Aviation	Available only with exclusion rider	Available only with exclusion rider
Avocation	Available only if no flat extra premium would be required	Available, however may have a flat extra
Residency/Citizenship	Must be U.S. resident for past 3 years and either U.S. citizen or have permanent Visa or Green Card	Must be U.S. resident for past 3 years and either U.S. citizen or have permanent Visa or Green Card
Build	See chart on page 2	See chart on page 2

Underwriting Criteria

Standard Plus

Standard

Impairments	Can have personal history of certain diseases or impairments	Can have personal history of certain diseases or impairments
Blood Pressure	Currently well controlled with or without treatment, with no readings in the past two years greater than 152/92	Currently well controlled with or without treatment, with no readings in the past two years greater than 156/94
Family History	No cardiovascular or cancer death of more than one parent before age 60	No cardiovascular death of more than one parent before age 60
Driving History	No more than 3 moving violations in last 3 years. No DWI, DUI, reckless driving, license revocation or suspension in last 3 years.	No more than 4 moving violations in last 3 years. No DWI, DUI, reckless driving, license revocation or suspension in last 2 years.
Tobacco Use	No use of tobacco or nicotine-based products in last 12 months	For the SNT class, no use of tobacco or nicotine-based products in last 12 months
Cancer History	Available depending on type and date of onset of cancer	Available depending on type and date of onset of cancer
Cholesterol	May not exceed 280 with or without treatment	May not exceed 300 with or without treatment
Chol/HDL Ratio	May not exceed 7.0 with or without treatment	May not exceed 8.0 with or without treatment
Substance/Alcohol Abuse	No abuse in past 7 years	No abuse in past 7 years
Aviation	Available, however may have flat extra or exclusion rider	Available, however may have flat extra or exclusion rider
Avocation	Available, however may have a flat extra	Available, however may have a flat extra
Residency/Citizenship	Must be U.S. resident for past 2 years and either U.S. citizen or have permanent Visa or Green Card	Must be U.S. resident for past 2 years and either U.S. citizen or have permanent Visa or Green Card
Build	See chart on page 2	See chart on page 2

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Medical Impairments		
Medical History	PPNT	PNT
Anxiety	*	*
Arthritis	no	*
Asthma	no	*
Cardiovascular/Heart Disease Mitral Valve Prolapse may qualify for PNT	no	no
Chronic Fatigue Syndrome	*	*
Chronic Obstructive Pulmonary Disease	no	no
Crohn's Disease	no	*
Depression	*	*
Diabetes	no	no
Elevated Liver Function Tests	no	*
Epilepsy	no	*
Fibromyalgia	*	*
Gastric/Peptic Ulcers	*	*
Hepatitis C (treated and cured)	no	no
Hypertension	*	*
Kidney Disease Kidney Stones may qualify for PPNT	no	no
Liver Disease	no	no
Multiple Sclerosis	no	no
Stroke	no	no
Ulcerative Colitis	no	no
Vascular Disease	no	no

*May be eligible depending on the date of onset, duration, severity and response to treatment.

Preferred Plus Build Chart					
Height	Male	Female	Height	Male	Female
5'0"	144	135	6'0"	207	180
5'1"	148	138	6'1"	213	184
5'2"	153	140	6'2"	219	188
5'3"	158	143	6'3"	225	193
5'4"	163	145	6'4"	230	197
5'5"	168	148	6'5"	237	201
5'6"	174	150	6'6"	243	205
5'7"	179	155	6'7"	249	209
5'8"	185	160	6'8"	256	214
5'9"	190	165	6'9"	262	218
5'10"	196	170	6'10"	268	222
5'11"	201	175	6'11"	276	226

Preferred, Standard Plus, Standard Male/Female Build Chart			
Height	Preferred	Standard Plus	Standard
5'0"	158	166	172
5'1"	163	172	178
5'2"	168	175	183
5'3"	174	182	190
5'4"	179	188	195
5'5"	185	194	202
5'6"	191	200	208
5'7"	197	206	215
5'8"	203	212	221
5'9"	209	219	228
5'10"	215	226	234
5'11"	221	231	241
6'0"	228	240	249
6'1"	234	245	255
6'2"	241	253	263
6'3"	247	259	269
6'4"	253	265	276
6'5"	260	272	283
6'6"	267	280	291
6'7"	274	287	299
6'8"	281	294	306
6'9"	288	302	314
6'10"	295	309	322
6'11"	303	317	330

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Routine Underwriting Requirements					
Face Amount *	<41	41-50	51-60	61-70	>70
\$100,000 to \$250,000	APM BU NM MVR	APM BU NM MVR	APM BU NM MVR	PM BU APS MVR	PM BU APS PINS MVR
\$250,001 to \$500,000	APM NM BU MVR	APM NM BU MVR	APM NM BU MVR	PM BU EKG APS PINS MVR	PM BU EKG APS PINS MVR
\$500,001 to \$1,000,000	APM BU NM PINS MVR	APM BU NM PINS MVR	PM BU PINS MVR	PM BU EKG APS PINS MVR	MDE BU EKG IR APS PINS MVR
\$1,000,001 to \$2,000,000	PM BU IR PINS MVR	PM BU EKG IR PINS MVR	PM BU EKG IR PINS MVR	PM BU EKG IR APS PINS MVR	MDE BU EKG IR APS PINS MVR
\$2,000,001 to \$3,000,000	PM BU IR PINS MVR	PM BU EKG IR PINS MVR	PM BU EKG IR PINS MVR	PM BU EKG IR APS PINS MVR	MDE BU TMEKG IR APS PINS MVR
\$3,000,001 to \$5,000,000**	MDE BU EKG IR PINS MVR	MDE BU EKG IR PINS MVR	MDE BU TMEKG IR PINS MVR	MDE BU TMEKG CXR*** IR APS PINS MVR	MDE BU TMEKG CXR*** IR APS PINS MVR
\$5,000,001+**	MDE BU TMEKG CXR*** IR PINS MVR	MDE BU TMEKG CXR*** IR PINS MVR	MDE BU TMEKG CXR*** IR PINS MVR	MDE BU TMEKG CXR*** IR APS PINS MVR	MDE BU TMEKG CXR*** IR APS PINS MVR

For explanations of requirements with *s please see right.

Please note: William Penn reserves the right to request additional requirements whenever they are deemed necessary.

Requirement Abbreviations	
APM	Abbreviated Paramed
APS	Attending Physicians Statement
BU	Blood and Urine
CXR***	Chest X-Ray
EKG	Electrocardiogram
IR	Inspection Report
MDE	MD Exam
MVR	Motor Vehicle Report
NM	Nonmed
PINS	Personal Information Statement
PM	Paramed
TMEKG	Treadmill EKG

***Face Amount:** For the purpose of determining the correct underwriting requirements, please add:

1. The face amount currently being applied for; PLUS
2. The face amount (including rider amount) of all existing policies with the company applied to (William Penn and/or Banner Life)

****Cases \$3 Million And Higher :** Third party financial verification, preferably audited, required on all cases \$3,000,000 and higher.

*****Chest X-rays:** Required for tobacco users only.

Attending Physician Statements: See page 5 for additional APS ordering guidelines.

AppAssist Teleunderwriting Programs:

Add APM and NM. Eliminate PM for the following amounts and ages:

\$3,000,000 Through Age 50

\$1,500,000 ages 51-65

\$500,000 ages 66-74

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Financial Underwriting Guidelines

Personal Insurance	AGES	FACTOR x INCOME
	20-30	10-15
	31-40	15-20
	41-50	10-15
	51-65	5-10
	65 & Over	1-4

Data Required:

- PINS for face amounts of \$500,001 and higher through age 70
- PINS for all cases over age 70.
- IR required for amounts over \$1,000,000 through age 70 and over \$500,000 age 71 and up.

Keyperson

Factor:

5-10 times the annual income (salary and bonus).
Could possibly consider more when facts and financial data can demonstrate a greater loss to the company.

Data Required:*

- PINS for face amounts over \$500,000
- PINS and IR with BBR for amounts exceeding \$1,000,000

Creditor/Debt Repayment (Non-Collateralized)

Factor:

Up to 90% of the loan amount. Term of loan is at least 5 years.

Data Required:*

- Details of loan or copy of loan agreement for face amounts through \$500,000
- Details of loan or copy of loan agreement, IR with BBR for amounts exceeding \$1,000,000
- PINS for amounts over \$500,000

Creditor/Debt Repayment (Collateralized)

Factor:

Up to 65% of the loan amount. Term of loan is at least 5 years.

Data Required:*

- Details of loan or copy of loan agreement for face amounts through \$500,000
- Details of loan or copy of loan agreement, PINS and IR with BBR for amounts exceeding \$1,000,000
- PINS for amounts exceeding \$500,000

A well written **cover letter** by the writing agent explaining how the face amount of coverage was determined, and the reason for the coverage, will typically allow an underwriter to better understand the case upon initial review and result in a quicker issuance of the policy applied for.

Financial Underwriting Guidelines

Buy-Sell, Partnership, Stock Redemption

Factor:

Percentage of ownership times the corporate value.

Data Required:*

- Details of or copy of buy-sell agreement for amounts through \$500,000
- Details of or copy of buy-sell agreement and IR with BBR for amounts exceeding \$1,000,000
- PINS for amounts exceeding \$500,000

Estate Tax Planning

Factor:

Net assets times the tax rate.

Data Required:*

- PINS for face amounts of \$500,001 - \$1,000,000
- PINS and IR for amounts exceeding \$1,000,000

New Corporations

Factor:

Percentage of ownership times corporate net worth plus 90% of the loan obligation of each proposed insured.

Data Required:*

Business plan, PINS and IR for all amounts applied for.

Charitable Contributions

Factor:

Average contribution for past 3-5 years times the life expectancy factor based on current age and mortality classifications.

Data Required:*

- Contribution record and PINS for amounts through \$500,000
- Contribution record, PINS and IR for amounts exceeding \$500,000

Insurance on Dependent Spouses

Data Required:*

- How the amount was determined
- Income of working spouse
- Amount of insurance in force and applied for on working spouse

***For Any Case:** Additional financial statements and/or information may be required to justify coverage amounts applied for. You may need to order an IR and/or BBR (Business Beneficiary Report) even though the age/amount underwriting requirements located on page 3 do not normally require it.

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Procedures for Ordering APSs

At ages 0-59, all amounts, an APS is NOT REQUIRED...

For the following routine examinations:

- Company physicals
- FAA or ICC physical examination
- Insurance examinations
- Routine gynecological exams; all findings normal
- Normal pregnancy and childbirth
- Pre-school, pre-marital or pre-employment examinations

For the following routine operations:

- Appendectomy
- Cataract
- Gall Bladder
- Hemorrhoidectomy
- Hernia
- Pilonidal cyst
- Sterilization procedure
- Tonsillectomy

If the only reason for medical consultation was for minor illnesses such as:

- Allergies
- Cold/Flu
- Hay Fever
- Minor injuries

Age	Amounts \$100,000-\$250,000 Order APS if physician is consulted within...
0-40*	3 Months
41-50*	1 Year
51-59*	2 Years
60-69	APS always required
70 & Up	APS always required
Age	Amounts \$250,001-\$500,000 Order APS if physician is consulted within...
0-40*	6 Months
41-50*	2 Years
51-59*	3 Years
60-69	APS always required
70 & Up	APS always required
Age	Amounts \$500,001 and up Order APS if physician is consulted within...
0-40*	2 Years
41-50*	3 Years
51-59*	5 Years
60-69	APS always required
70 & Up	APS always required

*Ages 0-59, for all amounts, an APS is **not required** for the conditions listed at the top of this page and an APS is **always required** for the conditions listed at right.

Procedures for Ordering APSs

At all ages and amounts, an APS is ALWAYS REQUIRED...

If the proposed insured has obtained medical consultation for the following conditions. Please ask for details of medical history (or incident), treatment (including copy of hospital records) and follow-up care. For all biopsy and follow-up surgical procedures marked with an asterisk(**), please request Gross and Microscopic Pathology Reports:

Abnormal EKG	Heart Valve Disorders
Alcoholism	Heart Murmur
Aneurysm	Heart Disease
Angina Pectoris	Heart Disorders
Angioplasty	Hemophilia
Apnea	Hepatitis
Arrhythmia/Palpitations	Hypertension
Asthma	Intestinal Bleeding
Biopsy	Kidney Disorders
Blood in Urine	Liver Disorders
Blood Disorders	Malignant Tumors**
Blood Pressure (Elevated)	Mental Disorders
Brain Tumor	Mole**
Bronchiectasis	Multiple Sclerosis
Cancer**	Murmurs
Cerebral Hemorrhage	Muscular Dystrophy
Cerebral Vascular	Myocardial Infarction
Chest Pain (Angina)	Nephrectomy
Chronic Cough	Nephritis
Cirrhosis of Liver	Nervous Conditions
Colitis - Ulcerative	Obstructive Pulmonary
Convulsions	Pancreatic Disorders
COPD - <i>Chronic Obstructive Pulmonary Disorder</i>	Paralysis
Coronary Bypass Surgery	Psychosis
Coronary Artery Disease	Pyelonephritis
Crohn's Disease	Regional Enteritis or Ileitis
Depression	Rheumatoid Arthritis
Diabetes	Schizophrenia
Dizzy Spells	Skull Fracture
Drug Use	Stroke (Cerebral Vascular Accident)
Embolism	Syncope
Emphysema, Bronchitis	Thrombosis (Clots)
Epilepsy (seizures, convulsions)	Tumors, Growths, Lesions**
Fatigue	Tuberculosis
GERD - <i>Gastroesophageal Reflux Disease</i>	Ulcerative Colitis/Proctitis
Heart Attack	Ulcers
	Vascular Disease (PVD)
	Vertigo

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Approved Vendors

APS Vendor Contact Information

Examination Management Service, Inc. (EMSI)	800-566-9318
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Scantech Solutions	877-916-0201
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J & H Copy Service	714-921-0102, ext. 105
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Parameds.com	888-766-3999
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Company-approved third party vendors secure APSs. These vendors provide excellent service in the processing of requests for medical records. Contact Penn's approved vendors for ordering procedures.

While the average APS fee is \$55, the maximum allowable fee is \$100. General agents who are currently ordering their own APSs may continue in their usual manner. However, we strongly encourage agencies to consider requesting APSs through a company-approved vendor for the following reasons: no out of pocket fee to the physician or facility, reduced processing time and administrative efforts, and equal or better turnaround time.

For further assistance with APS guidelines, please contact the Underwriting Department. Phone numbers listed above are subject to change.

Inspection Report Vendor Contact Information

Examination Management Services, Inc. (EMSI)	800-338-5629
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LabOne (formerly SBSI)	877-751-4341
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An inspection report is required for amounts over \$1,000,000 through age 70, for amounts over \$500,000 for and ages 71 and older. An interview with the proposed insured in person or by phone is usually part of the investigation. These reports are completed by Examination Management Services, Inc. (EMSI) or LabOne (formerly SBSI.) Procedures for ordering inspection reports are posted to the Inspections Section of our website Forms Page. Phone numbers listed above are subject to change.

Approved Vendors

Paramed Exam Vendor Contact Information

APPS (American Para Professional Systems, Inc.)	800-635-1677 516-822-6230
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Examination Management Services, Inc.	800-872-3674
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ExamOne	877-933-9261
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Healthmasters, Inc.	800-444-8384 781-272-4222
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Mobile Examiners Company	281-353-3200
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Parameds.com	888-766-3999
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Portamedic Services	800-765-1010 908-766-5000
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Please note that Penn will only accept examinations from the vendors, which are listed above. Please do not make an appointment with a vendor not appearing on our approved list. Any exam(s) done by an unapproved examining vendor will not be accepted nor paid for, and will be returned.

We have made every effort to provide you with the broadest geographical coverage and the best possible service. In that rare instance where an applicant is in a remote area not covered by one of our services, kindly contact your underwriting director to discuss making other arrangements. Phone numbers listed above are subject to change.

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Underwriting Considerations

Substandard

Substandard ratings available through Table 12. Table ratings are not available on Preferred Plus Non-Tobacco or Preferred Non-Tobacco.

Reinsurance

We have a **retention schedule** of \$1,000,000 through age 75 and through Table 4 on all preferred plus, preferred, standard, standard plus, and substandard issues through age 75. This schedule gives us **automatic** binding authority of \$12 million.

We currently have a \$250,000 **retention schedule**, ages 76-85, which gives us **automatic** binding authority of \$2 million through Table 8 for ages 76-80 and through Table 4 for ages 81-85. We have additional capacity available through our facultative reinsurance sources.

We have a **jumbo limit** (the amount of insurance in force and applied for on a particular applicant) of \$30 million.

Jumbo amounts are determined by adding all in force coverages to all amounts applied for with all companies. Coverage to be replaced is included in the total. If the total exceeds the jumbo limit, the case must be sent to our reinsurers.

Financial Underwriting

Financial underwriting is an important aspect of the risk assessment process. In essence, the underwriters must decide "if the case makes sense." Specifically, they must consider the following:

- Is there an insurable interest?
- Is there a definable loss?
- Is there a valid need and purpose for insurance?
- Does the amount of insurance applied for tie in with the amount of loss?

See page 4 for additional financial guidelines.