KNIGHTS OF COLUMBUS
IMPORTANT NOTICE
REPLACEMENT OF LIFE INSURANCE OR ANNUITIES

This document must be signed by the applicant and the agent, if there is one, and a copy left with the applicant.

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 this purchase, premium payments on an existing policy or contract are discontinued, or an existing policy or contract is surrendered, forfeited, assigned to the replacing insurer, or otherwise terminated or used in a financed 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, 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 interest. You will pay acquisition costs and there may be surrender costs deducted from the policy or contract. You may be able to make changes to the existing policy or contract to meet your needs at less cost. A financed purchase will reduce the value of an existing policy and may reduce the amount paid upon the death of the insured.

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

1. Does the proposed insured or annuitant have at least one existing life insurance policy or annuity contract on his or her life? ____ YES ____ NO (If you answered "no", skip 2-5.)
2. Are you considering discontinuing premium payments, surrendering, forfeiting, assigning to the insurer, or otherwise terminating an existing policy or contract? ____ YES ____ NO
3. Are you considering using funds from an existing policy or contract to pay premiums due on the new policy or contract? ____ YES ____ NO
4. If you answered "yes" to either question 2 or question 3, list each existing policy or contract you are contemplating replacing (include the name of the insurer, the insured and the contract number if available) and whether the policy will be replaced or used as a source of financing:

INSURER	**CONTRACT NUMBER**	**INSURED**	**REPLACED (R) FINANCING (F)**

5. The existing policy or contract is being replaced because ______________________________

____

Make sure you know the facts. Contact your existing company or its agent for information about the old policy or contract. [If you request one, an in-force illustration, policy summary or disclosure document must be sent to you by the existing insurer.] Ask for and retain all sales material used by the agent in the sales presentation. Be sure that you are making an informed decision.

I certify that the above responses herein are, to the best of my knowledge, accurate:

____
Applicant's Signature and Printed Name and Date

____
Agent's Signature and Printed Name and Date

I do not want this notice read aloud to me.________ (Applicants must initial only if they do not want this document read aloud.)

A replacement may not be in your best interest, or a decision to replace existing coverage could be a good one. You should make a careful comparison of the costs and benefits of the existing policy or contract and the proposed policy or contract. One way to do this is to ask the company or agent that sold the existing policy or contract to provide information concerning it. This may include an illustration of how the 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?

Are premiums higher for the proposed new policy?

How long will premiums have to be paid on the new policy? On the old policy?

POLICY VALUES

New policies usually take longer to build cash values and to pay dividends.

Acquisition costs for the old policy may have been paid; you will incur costs for the new one.

What surrender charges do the policies have?

What expense and sales charges will be paid on the new policy?

Does the new policy provide more insurance coverage?

INSURABILITY

If health conditions have changed since the old policy was purchased, the new policy could cost more, or your application could be rejected.

A medical exam may be needed 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 the existing policy be affected?

Will a loan be deducted from death benefits?

What values from the old policy are being used to pay premiums?

IF YOU ARE SURRENDERING AN ANNUITY OR INTEREST SENSITIVE LIFE PRODUCT

Will surrender charges be paid on the 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?

Is the existing insurer willing to modify the old policy?

How does the quality and financial stability of the Knights of Columbus compare with the existing company?

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