



IMPORTANT NOTICE:
REPLACEMENT OF LIFE INSURANCE OR ANNUITY

1. If you are urged to purchase new life insurance and to surrender, lapse or in any other way change the status of existing life insurance, the agent is required to give you this **Notice** and a written signed **Disclosure Statement** (see Exhibit "A" attached). This statement must set forth the pertinent facts of the proposal and the advantages to you of making the change.

2. It is suggested that you consult with your present life insurance company regarding the proposed replacement or change of existing policy or policies. The life insurance company to whom you are applying for the new policy is required by regulation to advise the home office of the company or companies which sold the existing policy or policies of the proposed replacement. If it is suggested by an agent of the present company that the existing insurance not be replaced, you are entitled to receive directly from the person making the suggestion a written statement setting forth all pertinent facts bearing on the advantages and disadvantages of the suggested retention.

3. The following should be considered before a decision is made to drop or change existing life insurance in favor of new life insurance, whether issued by the same or a different insurance company:

(a) The amount of the annual premium under an existing policy may be lower than that called for by a new policy having the same or similar benefits. Any replacement of the same type of policy will normally be at a higher premium rate based upon the insured's then attained age. The premium may also be increased due to an adverse medical history subsequent to the issuance of the existing policy.

(b) Since selling costs and other initial costs of life insurance policies are charged against the purchaser of the life insurance policies, the replacement of an old policy by a new one results in the policyholder sustaining these costs (principally agent's commission) twice.

(c) The incontestable and suicide clauses begin anew in a new policy. This means that a claim under a new policy may be denied by the company which would have been paid under the policy which was replaced.

(d) Existing policies may have more favorable provisions than new policies in such areas as settlement options and disability benefits. Loans on existing policies may be available at lower interest rates than would be the case on a new policy.

(e) The kind and amount of insurance protection you need may vary at different periods in your lifetime.

4. For the same reasons, it may not be advantageous to change an existing policy to reduced paid-up or extended term insurance or to borrow against its loan value beyond



your expected ability of intention to repay in order to obtain funds for premiums on a new policy.

5. The insurance commissioner may refuse, suspend or revoke the license of an insurance agent whenever there is any misrepresentation for the purpose of inducing forfeiture, surrender or lapse of contact.



EXHIBIT "A"
DISCLOSURE STATEMENT

THE INSURANCE DIVISION OF THE DEPARTMENT OF REGULATORY AGENCIES, STATE OF HAWAII, REQUIRE THAT EVERY APPLICANT CONSIDERING REPLACING A LIFE INSURANCE POLICY BE GIVEN A COPY OF THIS NOTICE. YOU ARE ADVISED TO READ IT CAREFULLY.

Name of Applicant: _____

Address: _____

City/State/Zip: _____

Name of Insured if Other than Applicant: _____

Date of Birth of Insured: ___/___/_____

Note: If more than one existing life insurance policy is to be affected by a transaction included within the definition of a replacement contained in § 16-4-2 of the chapter, (1) the existing life insurance column of a separate signed Disclosure Statement form must be completed for each such policy providing the information required by the form with respect to existing policies, and (2) a separate signed Disclosure Statement form must be completed for the proposed policy. The latter form must summarize, to the extent possible, the information concerning the existing policies set forth on separate forms, and must include the information required in Sections 2 through 5, of the Disclosure Statement.



1. COMPARATIVE INFORMATION:

<i>Item</i>	<i>Existing Life Insurance</i>	<i>Proposed Life Insurance</i>
Policy Number	_____	<u>XXXXXXXXXXXXXXXXXXXX</u>
Insurance Company	_____	_____
Amount of Basic Insurance:		
Currently	\$ _____	\$ _____
10 Years Hence	\$ _____	\$ _____
20 Years Hence	\$ _____	\$ _____
At age 65	\$ _____	\$ _____
Basic Plan of Insurance	_____	_____
Present Amount of Term Rider(s)	\$ _____	\$ _____
Issue Age	_____	_____
Issue Date	_____	<u>XXXXXXXXXXXXXXXXXXXX</u>

Premium For:	Year Premium Payable To	Year Coverage Ceases	Year Premium Payable To	Year Coverage Ceases
Basic Policy	\$ _____	_____	\$ _____	_____
*Accidental Death Benefit	_____	_____	_____	_____
*Waiver of Premium Benefit	_____	_____	_____	_____
*Disability Income Benefit	_____	_____	_____	_____
Family Income or Increased Protection Rider	_____	_____	_____	_____
Option to Purchase Additional Insurance	_____	_____	_____	_____

*If Premium of Benefits: (A) is not separable from basic policy premium, insert "Included in Basic Policy Premium"; or (B) is an aggregate premium, show the aggregate premium.



Other Benefits
(Explain) _____

Total Current Premium \$ _____ \$ _____

Frequency of Premium Payment _____

Tabular Cash Values: Existing Life Insurance Proposed Life Insurance

At Present \$ _____ XXXXXXXXXXXXXXXXXXXX

1 Year Hence _____

5 Years Hence _____

10 Years Hence _____

At age ____ (Highest age shown In Cash Value Table of existing policy) _____

Cash Value of any existing Dividend* Additions or Accumulations (if available from applicants) \$ _____ XXXXXXXXXXXXXXXXXXXX

Amount of Loan Now Outstanding, if any \$ _____ XXXXXXXXXXXXXXXXXXXX

Rate of Loan Interest % _____ % _____

Date Contestable Period Expires _____

Date Suicide Clause Expires _____

Dividends*

Is Policy Participating? No _____ Yes _____ No _____ Yes _____
If "Yes," amount of dividend on last policy anniversary? \$ _____ If "Yes," date first dividend* payable? _____

* Return of Excess Premium
REPLMNT Form (Exhibit A) R1210-HI



2. ADVANTAGES OF CONTINUING THE EXISTING LIFE INSURANCE:

3. ADVANTAGES OF THE PROPOSED REPLACEMENT OF THE EXISTING LIFE INSURANCE:

4. ADDITIONAL INFORMATION:

(A) The Existing Life Insurance Cannot Fulfill Your Intended Objectives for the Following Reasons:

(B) Under the Proposal, the Existing Life Insurance Policy Will Be Treated as Follows:

5. THE PRIMARY REASON FOR THE PROPOSED REPLACEMENT OF THE EXISTING LIFE INSURANCE BY NEW LIFE INSURANCE IS AS FOLLOWS:

Date: _____, 20__

Signature of Agent

Printed Name of Agent

Address



I hereby acknowledge that I received the above "Disclosure Statement" and the "Notice to Applicants Regarding Replacement of Life Insurance" before I signed the application for the Proposed new insurance.

Date: _____, 20__

Signature of Applicant

Printed Name of Applicant