



Broker Compliance Manual

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Introduction

This Compliance Manual should be retained for future reference as it identifies many compliance practices and procedures of Mutual of Omaha Insurance Company and its affiliates: United of Omaha Life Insurance Company, United World Life Insurance Company, Companion Life Insurance Company, Omaha Insurance Company, Omaha Life Insurance Company, Omaha Supplemental Insurance Company and Omaha Health Insurance Company, (collectively referred to as “Mutual of Omaha” throughout this Manual) that producers are required to follow. It is not intended to be an exhaustive list of all compliance requirements for producers, as there are additional requirements to be found in additional sources including, but not limited to, the Sales Professional Access website, (mutualofomaha.com/broker). It is the obligation of each producer to be aware of all laws, regulations and Mutual of Omaha's requirements that impact the sale of insurance. Producers should direct questions regarding compliance to their management or to the Brokerage Sales area.



Section 1: Compliance and Ethics

1.1 What is Compliance and Why is it Important?

To put it simply, compliance means doing the right thing. It means serving clients ethically and honestly, presenting services and products accurately and following our rules as well as federal and state requirements. Both producers and companies are being held accountable for sales practices, and while the vast majority of producers and companies don't purposefully misrepresent themselves or the products sold, some courts have ruled that lack of knowledge or lack of intent to mislead a prospective client is not a defense. That's why it's so critical for you to be familiar with federal and state regulations, as well as Mutual of Omaha's compliance requirements. Mutual of Omaha's goal is to ensure that both our producers and the company utilize the highest ethics, standards and sales practices, as well as adhering to all applicable laws and regulations.

1.2 Ethical Principles

Mutual of Omaha takes pride in having earned the reputation as an honest, ethical organization. This reputation has been earned by embracing and being guided by the following ethical principles:

- Deal professionally and honestly with customers, policyholders, business associates, and co-workers and treat them as we would expect to be treated
- Comply with the laws, rules, and regulations applicable to Mutual of Omaha's business and with our policies, procedures, and guidelines
- Perform producer duties using appropriate business standards
- Use good judgment and common sense and be sensitive to how others see us and how they might interpret our actions

Mutual of Omaha relies on you to represent our products in a way that is consistent with these ethical standards.

1.3 Failure to Comply

Failure to conduct business according to the standards and requirements outlined within this manual may result in corrective action as described in the Producer Performance Program section.



Section 2: General Compliance Requirements

2.1 Know Your State's Laws

For the most part, the laws that govern the actions of insurance producers are made by the individual states. It is your responsibility to know the statutes and regulations that outline expectations for insurance producers in each state where you solicit business, as well as any federal requirements.

2.2 Health and Safety Requirements

With respect to health and safety requirements, it is your responsibility to be familiar with any statutes, mandates, or laws for your state or local municipality. In locations where the use of a face covering is required by state or local law, it is expected that you follow and comply with all applicable public health requirements.

In any case, you should exercise good judgment and common sense with respect to the use of face coverings, personal hygiene, and social distancing practices and be sensitive to how others may view your actions during times of increased awareness and sensitivity to such items. During times when use of face coverings and social distancing practices are mandated or encouraged on a local or national level, virtual meetings remain the preferred and recommended method of interaction with current and prospective customers. You should not interact with anyone face-to-face in the conduct of business if you are not feeling well or if you have a fever.

2.3 Unfair Trade Practices

All states prohibit producers from engaging in unfair trade practices in connection with insurance activities. Engaging in such practices is a violation of state law. Although most are similar, each state has its own version of unfair trade practices, so individual state requirements should be reviewed closely. Activities which might be considered methods of unfair competition or deceptive trade practices include, but are not limited to:

- Making or distributing materials that are false and misrepresent benefits, policy coverage or premiums
- Making or distributing false information and advertising which is untrue, deceptive or misleading regarding the business of insurance or regarding any insurer
- Making or distributing false or derogatory information regarding the financial condition of any insurer
- Knowingly making any false statement to an insurance department official

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- Making or permitting any unfair discrimination between individuals of the same class
- Making a false statement in connection with the purchase of an insurance policy for the purpose of obtaining a fee, commission, money or other benefit

2.4 Disparaging Remarks

You are prohibited from making, encouraging or allowing disparaging remarks or providing false information about other producers, other insurers, the products of other insurers, or the employees and producers of other insurers. The prohibition applies to verbal remarks, as well as written or printed materials. Such activities are considered unfair trade practices and are generally prohibited by law.

2.5 Claims Involvement

You are prohibited from involvement in a client's claim. All inquiries from clients or beneficiaries should be referred to Mutual of Omaha's claims area.

2.6 Insurance Fraud

Fraud is defined as the intentional act of deception, misrepresentation or concealment committed in order to gain something of value. Mutual of Omaha will actively investigate and pursue prosecution of any act of fraud against Mutual of Omaha. Violations of the fraud policy can result in termination. Engaging in insurance fraud can also lead to license revocation, administrative discipline, criminal prosecution, civil litigation, and restitution. If you become suspicious that a situation or activity might involve fraud, contact the Financial Crimes & Compliance Department Hotline at (800) 936-9396.

To strengthen Mutual of Omaha's effort in promoting fraud awareness and to comply with mandated anti-fraud training, online training is available to producers on the Sales Professional Access page on the (mutualofomaha.com/broker) website.

2.7 Loans from Clients

Mutual of Omaha prohibits producers from obtaining loans from clients, unless the client is a relative of the producer. Obtaining loans from clients is prohibited by law in some states.

2.8 Gifts to and from Clients

To avoid the appearance of impropriety, Mutual of Omaha only allows for nominal gifts to be given or received, and only if they are reasonable and consistent with customary business practices. Acceptable gifts include novelties such as calendars, pens and coffee mugs.

2.9 News Media

All requests from the media for information or interviews related to Mutual of Omaha should be referred to the company's Corporate Communications team at newsroom@mutualofomaha.com. No individual should speak on behalf of Mutual of Omaha unless Corporate Communications has approved and facilitated the interaction.

2.10 Rebating

Mutual of Omaha prohibits rebating, even if legal in a state. Rebating is defined as offering or providing, directly or indirectly, any inducement to purchase, maintain or renew coverage when the inducement is not specifically stated in the policy or contract. Examples of rebating include, but are not limited to, offering money or other items of value to clients/potential clients, paying policy fees or premiums for clients, advancing premiums to clients, and splitting commissions with clients. Rebating generally does not include giving clients items of nominal value such as pens or calendars.

2.11 Records

State laws require producers to maintain records of all transactions under their license at their place of business. Maintaining such records helps to ensure compliance with state laws and can be an important factor in helping a producer defend his or her actions and recommendations. Producers should familiarize themselves with the specific requirements of each jurisdiction in which the producer is licensed. In maintaining these records, producers must keep all information and documentation relating to clients confidential unless permitted by law.

Documentation in client files may include, but is not limited to:

- Financial profiles/analysis
- Correspondence - dates must be documented
- Illustrations presented to client
- "Next steps" discussed with client
- Annual statement
- Scope of Appointment for the Mutual of Omaha Prescription Drug Plan
- Brochures and other points of sale pieces presented

2.12 Insurable Interest Requirements/ Prohibition on STOLI

Stranger-Originated Life Insurance (STOLI) is a practice or plan to initiate a life insurance policy for the benefit of a third party who, at the time of policy origination, has no insurable interest in the insured. STOLI cases take many different forms, but all have one thing in common - the primary purpose of the purchase of insurance coverage is to provide an unrelated third-party investor with a financial benefit upon the death of the insured. In order to appear to

satisfy insurable interest requirements, the applicant and third party may attempt to deceive an insurer regarding the true intended owner and /or purpose for purchasing the insurance at the time the policy is issued. Mutual of Omaha strongly opposes and will not accept this type of business.

2.13 Life Settlements

A life settlement is the sale of an existing life insurance policy to a third party for more than its cash surrender value but less than its net death benefit. The third party ultimately receives the net death benefit. Your involvement in life settlements in connection with your role as a producer is prohibited. You should not mislead anyone into thinking that the Companies sponsor or offer life settlements. You may not be compensated for your role in any life settlement transaction. The Errors and Omissions coverage purchased through Mutual of Omaha does not provide coverage for these activities.

2.14 Criminal Reporting Requirements

Producers must disclose to Compliance and Ethics any criminal charges, other than minor traffic violations, filed against them while contracted with Mutual of Omaha.

2.15 Insurance Department/Regulatory/FINRA Investigation, Action, Sanction or Fine

Active producers must disclose to Compliance and Ethics if they are currently under investigation by an insurance department, regulatory entity, or FINRA. Producers are to disclose to Compliance and Ethics any action, sanction or fine they receive from an insurance department, regulatory entity or FINRA while actively contracted with Mutual of Omaha.



Section 3: Privacy & Security Requirements

Mutual of Omaha, and you as our representative, have an obligation to protect the confidential information entrusted to us and not misuse or wrongfully disclose it. Federal and state laws, as well as Mutual of Omaha's policies and procedures, have requirements surrounding confidential information. This section summarizes some of these requirements. Questions about privacy or security requirements should be sent via e-mail to Privacy.Office@mutualofomaha.com.

3.1 Confidential Company Information

You are responsible for protecting the confidential Mutual of Omaha information to which you are entrusted. Confidential information includes such items as computer software, documentation and manuals, as well as business plans, operating strategies and information systems.

3.2 Client Information (Personal Information)

To make a product recommendation based on needs, you must gather a great deal of sensitive personal information from prospective and current customers about their finances, health, family and goals. Mutual of Omaha has a strong commitment to protecting the sensitive personal information consumers and customers entrust to us. Various state and federal laws have been enacted which makes it critical for producers to strictly observe Mutual of Omaha's privacy policies and practices. Most privacy laws apply to producers as well as to insurance companies and provide applicants, even if they do not become our customers, privacy protections that help ensure their personal information will remain secure. While producers may obtain applications and access other materials referencing personal information, such information may never be discussed or used except for the purpose for which it is intended.

Personal information means all individually identifiable information, including demographic information, that is created or received by Mutual of Omaha and its producers that is related to current and former customers. Personal information may only be used or disclosed for certain administrative processes relating to an insurance transaction. It may not be used or disclosed to anyone for marketing purposes. You may never disclose information about our customers, share information about a person's transactions with us, or divulge that a person is or was our customer with any third party.

3.3 Information Security Program

You are responsible for developing, implementing, and maintaining a comprehensive information security program that contains administrative, technical, and physical safeguards appropriate to the size and scope of your business and the amount of confidential information that you maintain. Your information security program must be consistent with the requirements for protecting information that are included in any state or federal law or regulation.

If you store confidential company or confidential client information electronically on portable equipment or media, or if you transmit confidential information across public networks or transmit it wirelessly, it must be encrypted.

From time to time, Mutual of Omaha may require you to have a review and/or technical audit of your security policies and practices. The audit may be conducted by either Mutual of Omaha or by an independent auditor. If an independent party conducts the audit, you must provide the audit report, including recommendations for deficiencies, to Mutual of Omaha within seven (7) business days of receipt. If deficiencies in your information security program exist, you will have 30 calendar days to implement remedies and notify Mutual of Omaha that the deficiencies have been rectified. Failure to rectify such deficiencies will be considered a breach of your contract with Mutual of Omaha.

3.4 Notification of Information Security Breaches

Every state and HIPAA have breach of (information) security notification requirements that apply both to you and Mutual of Omaha. These laws require that we provide notice to individuals impacted by a breach of security and do so in a timely manner. In addition, Mutual of Omaha may be required to notify media, consumer reporting agencies, insurance departments, law enforcement and other entities of such a breach. If sensitive consumer or customer information in your possession, stored electronically or on paper, is lost, stolen, accessed or acquired by an unauthorized person, call Producer Tech Support immediately at (800) 847-9785 to provide details of the incident. Mutual of Omaha will assess the scope and impact of the situation and will take additional action as necessary.

You must report all incidents, even if you think no one will be harmed.

3.5 Protecting Client Information

It is your responsibility to protect personal information that you collect and maintain for Mutual of Omaha. Best practices to minimize the chance that personal information is compromised are as follows:

- Lock file cabinets containing personal information when not in use or when unattended.
- Lock computer workstations when you are away from your desk.

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- If your laptop contains confidential information, secure it with a locking cable or lock it away out of sight.
- Keep your User ID's and passwords confidential. Never tell anyone your password or ask someone else for theirs. Never keep your password by or on your computer. If you must keep a paper copy of your password, never store it with your computer and make sure it is not visible to others. It is not acceptable to use someone else's credentials or allow them to use yours at any time or for any reason.
- Never throw documents or media that contain Mutual of Omaha information or personal information in a trash can. Use a shredder or a shred service to destroy any document or media that contains confidential information.
- Never leave personal information unattended. Lock it up when you are not using it.
- Never leave personal information in plain sight in your car.
- Destroy files and papers that contain personal information when you no longer need them.
- Printouts containing personal information should be immediately removed from printers and fax machines.
- At the end of the day, secure all printers and faxes.
- Lock your office when you leave, even if you are going to be gone for a few minutes.
- Make sure cleaning and maintenance services do not have access to confidential information.
- If you have a server, put it in a secured room with limited access.
- Check visitors in and out at the front desk and always supervise them when in a work area.
- When an employee terminates, collect all keys and make sure they no longer have access to your data or facilities.

The contract you have with Mutual of Omaha contains other privacy and information security requirements.



Section 4: Anti-Money Laundering (AML)

4.1 About Anti-Money Laundering (AML)

Money laundering is the illegal practice of placing money gained from criminal activity through a series of apparently legitimate transactions in order to hide the criminal origin of the money and make the money appear to be from legitimate sources. Money laundering laws not only prohibit active participation but also passive participation in a laundering scheme. Therefore, it is imperative that producers truly know their customers and their objectives. Producers who participate in a money laundering scheme may be fined and/or face criminal charges.

4.2 AML Training

To comply with AML laws, Mutual of Omaha has developed an anti-money laundering program. As a part of this program, producers selling individual life and annuity products must complete an AML training program and any required refresher training. The training is designed to assist producers in being vigilant for money laundering schemes that can pose threats to Mutual of Omaha. Mutual of Omaha has contracted with LIMRA to provide the preferred means of anti-money laundering training at no cost to the producer. The LIMRA training is only available online. To take the training, log on to LIMRA's web site through either of the following sources:

- Sales Professional Access website - mutualofomaha.com/broker
- LIMRA - <https://knowledge.limra.com>

Two alternative methods for satisfying the AML training requirement are also available:

- Banks or Broker/Dealers who provide their own regulatorily-required AML training may opt out of the LIMRA requirement for their affiliated producers by executing a formal Financial Institution Insurance Selling Agreement.
- An individual producer may be eligible to opt out of LIMRA AML training if they have completed AML training through one of the following approved vendors;
 - RegEd
 - Web CE
 - Sandi Kruse
 - Kaplan

Producers who complete one of these AML training courses can e-mail the completion certificate to contractsandappointments@mutualofomaha.com. Unless an exception is otherwise granted by the AML Compliance Officer, only certificates from one of these four vendors will be considered and these are valid for two years from the date of training completion.

4.3 AML "Red Flags"

The following is a list of suspicious activities that may help a producer identify potential money laundering. If such activity is detected, this should be reported to Mutual of Omaha as outlined below.

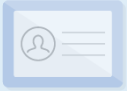
- Customer exhibits unusual concern about Mutual of Omaha's compliance with government reporting requirements or its AML policies, particularly with respect to his or her identity, type of business and assets, or is reluctant or refuses to reveal information concerning business activities, or furnishes unusual or suspect identification or business documents
- Customer wishes to engage in transactions that lack business sense, have no apparent investment purpose, or are inconsistent with stated business or investment objectives
- Customer provides false, misleading, or substantially incorrect information concerning source of funds
- Customer refuses to identify or fails to indicate a legitimate source of funds
- Customer exhibits a lack of concern regarding investment risks, commissions, surrender charges, sales charges, or other transaction costs
- Customer appears to be acting for another person but is evasive, declines to or is reluctant to provide information about the other person
- Customer has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry
- Customer submits premium using multiple sources (i.e. multiple money orders submitted instead of the customer submitting one check or money order)
- Customer maintains multiple policies or accounts under a single name or multiple names
- Customer makes an unusually large number of inter-account transfers
- Large or frequent wire transfers, immediately or shortly thereafter withdrawn with no apparent purpose, business or otherwise
- Customer makes a premium payment/deposit followed by an immediate request that the funds be sent to a third party or another firm
- Customer makes premium payment/deposit for purchase of a long-term investment followed shortly by a request to liquidate and transfer the proceeds
- Customer requests that business be processed in such a manner that it appears to avoid Mutual of Omaha's normal documentation requirements

- Policy or account experiences inflow of funds well beyond the known income or resources of the customer
- Request is made for disbursements payable to a producer or a third party other than another financial institution
- Customer provides an unusual Social Security number or Taxpayer Identification number. (e.g., 000-00-0000, 123-45-6789, 999-99-9999)

4.4 Reporting Suspicious Activities

Producers are responsible for identifying and reporting potential money laundering. Producers are not to inform the client of their apprehensions, but rather forward the suspicious activity concerns to Mutual of Omaha by completing the AML Referral Form as outlined above or by calling the Compliance and Ethics Hotline at (402) 351-5005.

To report instances of suspected money laundering activity, please access Sales Professional Access to complete a referral form. Under *“Training & Compliance”*, select the *“Anti-Money Laundering”* link under *“Protect Your Business”*. Scroll past the *“Red Flags”* section and complete the applicable form fields under *“Report Suspicious Activity”*.



Section 5: Licensing and Appointment

5.1 Obtain Proper Licensing and Appointments

It is your responsibility to secure and keep in effect any licenses, registrations and appointments required to represent Mutual of Omaha or appropriately solicit Mutual of Omaha's products. Since each state has its own licensing requirements, you must abide by the statutes and regulations in each state. State laws require all producers to be licensed and to have the appropriate lines of authority in the state where the sale, solicitation or negotiation takes place.

Activities that require a license include, but are not limited to, the following:

- Recommending a particular type of insurance policy or insurer
- Collecting any method or mode of premium
- Explaining coverage or benefits to prospects
- Quoting rates
- Completing applications
- Attempting to sell insurance
- Conferring directly with or offering advice regarding a particular contract concerning benefits, terms, or conditions of the contract

For states requiring pre-appointment, all producers must be appointed with the appropriate company in those states prior to soliciting, selling, negotiating, or completing an application.

5.2 Disclosures on Information Sheets

Producers should review contracting paperwork carefully and thoroughly and must provide accurate, complete and truthful information on their contracting paperwork. Failure to do so may result in termination of the producer's contract.

5.3 Errors and Omissions Insurance

You are required to carry Errors and Omissions insurance in the amount of \$1,000,000 per occurrence before selling certain life, annuity and health products as listed in the Sales Professional Access website (mutualofomaha.com/broker). Proof of coverage must be provided upon request.

5.4 Continuing Education

It is your responsibility to ensure that continuing education requirements are satisfied. Mutual of Omaha is committed to providing the highest level of customer service to clients. As a part of this commitment, we encourage you to

remain up to date on new products, changing tax laws, and revisions to statutes and regulations related to the marketing and sale of insurance. Whether you take continuing education courses required to maintain your insurance license or sell specific products through a third-party service or you take advantage of training offered to you through Mutual of Omaha, it is essential that you keep abreast of the ever-changing laws that impact the insurance industry. Producers with questions regarding continuing education should contact their manager, our Sales Support staff at (877) 617-5589 or refer to the Sales Professional Access website (mutualofomaha.com/broker).

5.5 Violent Crime Control & Law Enforcement Act

Federal law prohibits any individual who has been convicted of a felony involving dishonesty, breach of trust or an offense under the Violent Crime Control and Law Enforcement Act of 1994 from engaging in the business of insurance. This applies to both insurance producers and employees of insurance companies. The law also prohibits insurers from willfully permitting an individual to participate in the business of insurance if the person was convicted of a felony involving dishonesty, breach of trust or an offense under this law.

An individual who has been convicted of a felony involving dishonesty, breach of trust or an offense under the Act must obtain the written consent of an insurance commissioner to participate in the business of insurance (commonly called a "1033 waiver"). Acquiring an insurance producer's license is not sufficient to satisfy the written consent requirement.



Section 6: Prospecting

6.1 Advertising / Sales Materials

Mutual of Omaha is committed to ensuring that all advertising materials used to promote its products meet the criteria required by statute, regulation, and our internal standards. Mutual of Omaha is also committed to protecting its assets, which include service marks, trademarks, trade secrets and copyrights.

Advertising material means all printed and published material including, but not limited to, circulars, leaflets, business cards, depictions, illustrations, descriptive literature, phone book listings, letters, lead-generating materials, audio visual material, material on the internet, social media, prepared sales talks, presentations and sales aids of any kind used in direct mail, newspapers, magazines, radio scripts, television scripts, billboards, sales seminars, and similar displays, whether prepared by you, or anyone affiliated with you.

Mutual of Omaha may produce and provide advertising material for your use in marketing campaigns and/or social media marketing. Materials (printed or electronic) that have been provided in a specific manner cannot be modified or altered in any way. Any alteration or change to such material will result in corrective action through the Producer Performance Program as outlined later in this manual. A producer's own contact information or state license information may be added to some marketing materials if prior approval is obtained from Mutual of Omaha's Marketing Department.

The definition of "advertising" does not include communications to specific policyowners if the communication is not intended to influence policyowners to purchase, increase, modify, reinstate, or retain an insurance product and does not describe the services of a producer or the insurance product.

All advertising and/or sales materials, including e-mails and websites, that contain the Mutual of Omaha logo, company name or product name **must** be submitted to Mutual of Omaha for review and approval prior to use. Advertising provided to producers directly by Mutual of Omaha has been approved by the Advertising Review Committee. Any change or modification to advertising or sales materials provided to producers by Mutual of Omaha must be re-approved.

6.2 Do Not Call Requests

It is Mutual of Omaha's policy to comply with all applicable state and federal requirements, which includes federal and state laws prohibiting telephone solicitations to consumers who have placed their telephone numbers on Do Not

Call ("DNC") lists unless you are calling under an exemption to the law or have express written consent. This includes calls or text messages to wireless phones. The prohibition includes individuals working for you to set up appointments or generate leads. The penalties for noncompliance can be significant. Violators can incur federal fines up to \$16,000 per violation and state fines up to \$25,000 per violation. Callers can be sued and may have to pay damages to the consumers they called if the consumer's telephone number is on a DNC list. Additional DNC information is located on the Sales Professional Access website, (mutualofomaha.com/broker), as well as the Mutual of Omaha Internal DNC list for use when you are soliciting one of our products. It is your responsibility to adhere with DNC and telemarketing laws, which includes verifying that consumers on any leads received or purchased are not on any DNC list. If you receive a DNC-related complaint (written or oral) while soliciting a Mutual of Omaha product, you must immediately call the Compliance and Ethics Hotline at (402) 351-5005. It is also your responsibility to ensure that information be added to the DNC section of the Sales Professional Access website, (mutualofomaha.com/broker) when requests are made by consumers to be placed on the Company's Do Not Call list.

When you make a solicitation call to a person who is not on a DNC list or to someone you are calling under an exemption, you must clearly and promptly disclose your identity, the fact that the call is being made on behalf of your own agency and the purpose of the call. You are prohibited from calling during certain hours, calling individuals who have previously stated they do not wish to receive calls from you or Mutual of Omaha (if you are soliciting one of our products), and from sending unsolicited advertisements to a telephone facsimile machine. In addition, the use of automatic dialing devices and prerecorded messages is prohibited.

6.3 Caller Identification

Federal law prohibits any person or entity from knowingly altering or manipulating caller identification information with the intent to defraud, cause harm, or wrongfully obtain anything of value. Any person or entity engaging in making calls on behalf of Mutual of Omaha must accurately display caller identification information when it is available by the service provider. The caller identification information may not be misleading. The telephone number provided must permit any individual to make a do-not-call request during regular business hours.

Calls made to current or prospective customers should reflect the name of the broker and/or the brokerage firm name. Caller identification should not display Mutual of Omaha.

6.4 E-mail/Website Advertisements and Promotions

In order to comply with federal and state laws, producers must follow certain guidelines when sending advertisements or promotional materials via e-mail.

The Federal CAN-SPAM Act of 2003 (Controlling the Assault of Non-Solicited Pornography and Marketing Act) allows a producer to send unsolicited e-mails, including e-mails that direct a customer to a web site, if the e-mail meets certain requirements:

- **Applicability** - The law applies to e-mails whose primary purpose is the advertising or promotion of a product or service. It also applies to routine e-mails that update existing customers about a business transaction to the extent that such e-mails may not include false or misleading e-mail routing information.
- **E-mail Header Information** - False or misleading e-mail header information is prohibited. E-mails must include accurate routing information including "From," "To" and the e-mail address of the sender.
- **Subject Line Clarity** - Subject lines cannot be deceptive or misleading regarding the content of the e-mail.
- **Message Requirement** - The message must contain: (1) a notice that the message is an advertisement or solicitation; and (2) it must include the producer's postal mailing address.
- **Opt-Out Option** - Producers must give the recipient a return e-mail address or another internet-based response mechanism that allows a recipient to ask the sender not to send future e-mail messages. This request must be honored. A "menu" of choices may be created that allows a recipient to opt-out of certain types of messages or to opt-out of all messages. If an opt-out request is received, it must be honored within 10 business days of the request. The law requires that no further e-mails be sent to the requestor's e-mail address.
- **Collecting E-mail Addresses** - Producers are prohibited from collecting e-mail addresses from websites or services that have published a notice prohibiting the transfer of e-mail addresses for the purpose of sending e-mails.
- **Penalties** - The law allows for fines (up to \$16,000 per violation) and/or criminal sanctions for violations of these requirements.



Section 7: Interviewing & Sales

7.1 Conduct a Thorough Fact-finding Interview

Thorough fact-finding allows you to obtain information necessary to determine the insurance needs or financial objectives of clients, as well as providing an opportunity to ask questions and learn what is important to them. Fact-finding identifies needs and also stimulates thinking, enabling prospective clients to take an informed look at their present insurance situation, which helps you determine the proper solution. Products offered should be suitable for the client and meet their insurance needs.

7.2 Suitability

In order for a producer to ensure that a product is suitable for the consumer, the producer must make reasonable efforts to obtain applicable information from the consumer as to their:

- Financial status
- Tax status
- Investment objectives
- Any other information used or considered reasonable by the producer in making recommendations to the consumer

For all annuity sales the appropriate Annuity Suitability Information form must be completed.

The Sales Professional Access website, (mutualofomaha.com/broker) details by state and policy form, the appropriate suitability form for annuities and Personal Worksheet for long-term care products. The completion of the Mutual of Omaha Personal Worksheet is required for the sale of our long-term care products.

7.3 Conduct Thorough Field Underwriting

Producers must provide complete and accurate answers to all questions on the application and disclose all information provided by the client. Producers accomplish this thorough field underwriting by interviewing proposed insureds and asking the proposed insured all questions on the application. It is your responsibility to disclose all information that might impact the underwriting decision, whether or not you feel that information is material. Producers who are tempted to withhold or distort information are not acting in the client's best interest as misrepresentations on applications can cause coverage to be voided.

After an application is signed, no alterations may be made to an application unless they are made in the applicant's presence and the applicant initials each alteration.

7.4 Make Sure Replacement Is in the Client's Best Interest

Replacement of existing coverage (health, life, or annuity) should only occur when it is in the best interest of the client. The producer and Mutual of Omaha need to be able to assist the client in ascertaining whether replacement is in his or her best interest. In order for the client to make this decision, the client must be provided adequate information, whether positive or negative, to ascertain whether replacement is in their best interest.

All replacements must be handled in accordance with state requirements, as well as the requirements of Mutual of Omaha. It is your responsibility to know the replacement laws and regulations in each state where you solicit insurance as most states have specific replacement requirements for many lines of insurance, including Medicare supplement and long-term care insurance.

- *Medicare Supplement* - Replacement of Medicare supplement coverage occurs when a client intends to terminate their existing Medicare supplement or Medicare Advantage plan and replace it with a Medicare supplement policy to be issued by Mutual of Omaha. It is the producer's responsibility to assist the client in determining whether replacement is appropriate.
- *Long-Term Care (LTC)* - Replacement of LTC insurance occurs when a client intends to lapse or otherwise terminate existing accident and sickness or LTC coverage and replace it with a LTC policy to be issued by Mutual of Omaha. There are many factors to consider before recommending replacement, which include, but are not limited to, the client's health, existing benefit levels and coverage, income and financial situation. The Long-Term Care Personal Worksheet should be completed to determine if long term care coverage should be purchased.
- *Life & Annuity* - Replacement of life insurance and annuities is defined in most states as any transaction in which new life insurance or a new annuity is to be purchased and it is known, or should be known, to the producer proposing replacement that the existing coverage has been or is to be: (1) lapsed, forfeited, surrendered or otherwise terminated; (2) converted to reduced paid-up, continued as extended term or otherwise reduced in value by using nonforfeiture benefits or other policy values (i.e. partial surrender); (3) amended to reduce benefits or length of time coverage would remain in force; (4) reissued with a lower cash value; or (5) pledged as collateral or when the total borrowed amount, in the aggregate, exceeds 25% of the loan value.

The producer should document what specific information was provided to them by the applicant as it relates to any existing coverage held by the applicant and what information the producer provided to the applicant to deem that additional or replacement coverage was suitable for the applicant. When determining if replacement is within a client's best interest, the best interest standards are defined by the state in which the policy has been written. Best interest standards may include, but are not limited to, the following considerations:

- Surrender charges on existing coverage
- Expense charges required for the new coverage
- Tax implications of withdrawing funds from existing coverage
- Source of funding and impact on policy values if loans or reduction in principal will be used as a funding source
- Nonguaranteed elements of both the existing and proposed plan
- New suicide and contestability periods which may apply
- Qualifications for replacement coverage or the higher cost of replacement coverage due to changes in age or health

Alternatives to replacement should always be considered and discussed with the client. These include making allowable adjustments, contractual conversions, reinstatement of lapsed coverage, or leaving the existing coverage in force and purchasing another policy. Many life and annuity applications ask if the proposed insured had other coverage that terminated within the past 13 months. It is Mutual of Omaha's policy that if this question is answered "yes," the application replacement questions should be answered in the affirmative and the proper replacement forms be provided to the client.

- *All Replacements* - If replacement appears appropriate after reviewing the client's needs, the producer must indicate on the application that a replacement is involved and, at the time the application is completed, the producer must also complete state and company required replacement form(s). Many of these forms must be signed by both the producer and applicant and the original copy of each form should be left with the applicant. It is the producer's responsibility to know and comply with each state's replacement requirements.

The client should be advised not to cancel their existing coverage until they have had time to review the new coverage and are sure it satisfies their coverage needs. If the client determines they wish to move forward with the new plan, they should contact their existing carrier to discontinue that coverage.

7.5 Provide Full Disclosure

You are required to fully disclose, both to the clients and to Mutual of Omaha, all information that may affect the client's coverage. Failure to provide full disclosure to the client and/or to Mutual of Omaha may result not only in loss of benefits for the client, but cancellation or rescission of the contract. Full disclosure also means disclosing that you are acting as an insurance producer and clearly identifying that the products you offer are insurance products. It is critical that you make sure clients clearly understand the product they are purchasing.

7.6 Handle Premium Responsibly

The nature of your job requires you to handle initial premium regularly. You are responsible for submitting initial premiums promptly to Mutual of Omaha. Mutual of Omaha prohibits producers from commingling funds. The premium you collect from clients must be kept separate from your personal or business financial accounts and immediately turned over to Mutual of Omaha. In order to avoid commingling, all checks from current or prospective clients received by a producer must be made payable to the appropriate company.

Mutual of Omaha also prohibits producers from accepting cash for premium payments. Cash or currency is defined as coins and paper money of the US, or any other country. Producers may accept a personal check or cash equivalent instrument as acceptable forms of payment. Cash equivalents are defined as payment instruments purchased from a financial institution or money service business via a cash transaction or funds transfer. Cash equivalents include - traveler's check, cashier's check, bank draft or money order. If a cash equivalent is to be remitted, Mutual of Omaha requires that the client obtain the cash equivalent instrument on their own. Producers are strictly prohibited from accepting cash from the client to then purchase the cash equivalent(s) on the applicant's behalf.

Wire transfers are also an acceptable form of paying initial or renewal premiums provided the client remits such payments directly to Mutual of Omaha. Rollovers or transfers of funds from other institutions will be accepted either directly or indirectly (i.e. check issued to client) provided proper documentation has been completed for Mutual of Omaha and all policies of the relinquishing institution have been met.

In addition, producers must not collect renewal premium payments. Instead, the client must remit renewal premium payments directly to Mutual of Omaha as instructed with the premium notice.

Producers must communicate the restrictions on acceptable payment to their customers in advance of accepting payments. In the event a customer gives the producer an unacceptable form of payment, the producer must explain what

forms of payment are acceptable and return the unacceptable payment immediately. If the amount of the unacceptable payment is over \$5,000, this event should be reported to Mutual of Omaha as a possible AML "red flag" per the procedures outlined earlier in this manual.

7.7 Restrictions on Cannabis Related Businesses

Mutual of Omaha and its producers are not permitted to accept funds from cannabis related businesses or the persons who work for them. This includes business/individuals deriving proceeds from marijuana, cannabidiol (CBD) products, and hemp. Although some states have enacted legislation that legalizes marijuana growth, distribution and use, the federal Controlled Substances Act still makes it illegal under federal law to manufacture, distribute or dispense marijuana. Compliance and regulatory burdens highly discourage, and effectively prevent, businesses such as Mutual of Omaha from accepting such funds due to the increased regulatory risk.

If you suspect an existing or prospective client is involved in the marijuana industry, you should complete the AML Referral Form per the procedures outlined earlier in this manual.

7.8 Military Sales

The Federal Military Personnel Financial Services Protection Act became effective September 2006. States subsequently passed numerous laws/regulations regarding military sales. Both federal and state laws/regulations apply to:

- Face-to-face sales of life and annuity products to active members of the military and their families; and
- All branches of the military.

The law contains specific guidelines for both solicitation on a military installation and for solicitation to military personnel regardless of solicitation location. PLEASE NOTE: Mutual of Omaha prohibits the solicitation and sale of its products on military installations. Mutual of Omaha does permit solicitation to active members of the military and their families if solicitation is done at a location other than a military installation and all other applicable laws/regulations are met.

For additional information regarding military sale requirements, including information about required disclosure forms and a copy of federal and state requirements, please review the information found under the "Sales to Military" tab on the Sales Professional Access website (mutualofomaha.com/broker). Failure to comply with these laws/regulations may result in termination or other regulatory action.

7.9 Twisting and Churning

Mutual of Omaha prohibits twisting and churning.

- "Twisting" is defined as making any misleading representations, incomplete or fraudulent comparisons, or fraudulent material omissions with respect to any insurance policies or insurers for the purpose of inducing, or intention to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert any insurance policy, or to take out a policy of insurance with another insurer.
- "Churning" is defined as the practice of utilizing the policy value in an existing life insurance policy or annuity contract to purchase another policy or contract with the same insurer to earn additional fees, commissions or other compensation without an objectively reasonable basis to believe the transaction is of benefit to the policyowner. If done in a fashion that is fraudulent or deceptive, then churning is a violation of law. Policy values include cash, loans or dividend values on a policy or rider.

7.10 Fees

State laws generally prohibit a producer from charging or collecting fees for their services as an insurance producer. Mutual of Omaha prohibits producers from charging or collecting fees for services as an insurance producer, except in the case of Fee-Based advisors who sell Mutual of Omaha non-commissionable product.

7.11 Producer as Beneficiary, Trustee or Power of Attorney

In order to avoid any conflict of interest, Mutual of Omaha prohibits producers and their families from being named as a beneficiary, trustee, or power of attorney on any policy unless the client is a relative of the producer.

7.12 Commission Payments

Commissions are only paid to producers who are licensed with the appropriate line of authority and appointed in the jurisdiction where the application was solicited and it is expected that the producer who solicits the application is the producer who signs the application as the producer of record, with very few exceptions previously approved by Mutual of Omaha.

Splitting commissions is permissible; however, a producer who is not present during the interview must not place his/her signature on the application. It is necessary for producers to follow Mutual of Omaha's guidelines when identifying cases involving split commissions.

7.13 Policy Delivery

Policies must be delivered timely to clients. If a client does not accept the policy as issued, the producer must promptly return the original policy to Mutual of Omaha at the time the change is requested.

7.14 Delivery Receipts

Certain states require producers to obtain delivery receipts. These requirements vary by state and product. See Sales Professional Access website, (mutualofomaha.com/broker), for additional information. Also, in some instances, Mutual of Omaha may require delivery receipts be obtained. The use of delivery receipts is strongly encouraged for all states and products as a best business practice as this documentation supports receipt of the policy by the client.



Section 8: Complaints, Noncompliance & Producer Performance

8.1 Direct Customer Complaints

Mutual of Omaha defines a complaint as any written or verbal communication primarily expressing dissatisfaction. Complaints are to be provided to Mutual of Omaha for the purpose of record-keeping and, if necessary, investigation and resolution. Complaints should be directed to the appropriate area, such as Claims, Sales or Customer Service. If you are unsure of the appropriate area to which a complaint should be directed, please send to:

**Mutual of Omaha Insurance Company
Financial Crimes & Compliance Department
3300 Mutual of Omaha Plaza
Mutual of Omaha Plaza, Omaha, NE 68175**

You can also FAX the information to (402) 351-4683 or call (402) 351-5005 or E-MAIL the information to FinancialCrimesandCompliance@mutualofomaha.com.

8.2 Reporting Possible Noncompliance

If you become aware of a situation or activity that you feel is contrary to Mutual of Omaha principles or that may violate the law, you should report it promptly to the Compliance and Ethics Hotline at (402) 351-5005. All reports will be investigated promptly and as confidentially as possible.

8.3 Producer Performance Program

Mutual of Omaha maintains its Producer Performance Program in an effort to maintain its high standards of professionalism and integrity. Mutual of Omaha strictly prohibits producers from engaging in any behavior or activity that is against the law or contrary to the ethical principles or activities outlined in this manual. Examples of behaviors or activities which are prohibited by Mutual of Omaha's Producer Performance Program include, but are not limited to, the following:

- Discrepancies in information recorded on an application or failure to record all pertinent or required information on an application.
- Producers signing applications solicited by persons other than themselves or allowing someone else to utilize their signature or credentials to improperly submit an application.

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- Misrepresentation of Mutual of Omaha as a company, a Mutual of Omaha product, or themselves in the solicitation, sale, or marketing of insurance.
- Misuse of Mutual of Omaha advertising, to include the Mutual of Omaha logo, name, servicemark, trademark, etc. Including the failure to obtain prior review and approval of advertising/sales materials, logos, etc. when advertising, soliciting, or marketing Mutual of Omaha or our products.
- Offering an untrue statement or misrepresentation on a producer contract, statement of qualification, information sheet or other document required for contracting or appointment.
- Act of forgery or alteration of a document, with or without the permission of the client. Forgery includes actions taken to make a document appear it was received/completed other than was factually the case. Applying an applicant's electronic signature to any document, with or without their permission, is also considered a forgery and is a prohibited practice under the Producer Performance Program.
- Offering a rebate or inducement to renew or purchase insurance.
- Submitting unauthorized applications or applications on fictitious persons.
- Discrepancies in premium collected, submitted, or refunded.
- Retaining premium monies or applications or any delay in submitting premium monies or applications.
- Placing funds belonging to a client or to Mutual of Omaha into the producer's personal or business financial account (i.e., Commingling).
- Churning or other manipulation of premiums, values, or policies.
- Failure to cooperate with Mutual of Omaha in an investigation or in the resolution of a complaint, administrative action, or litigation, including failure to respond to our inquiries.
- Misappropriation of funds or proprietary material.
- Improper business practices.
- Improper replacement of a policy and/or failure to comply with replacement requirements.
- Substandard credit score.
- Criminal activity and/or conviction while contracted or appointed with Mutual of Omaha.
- Insurance department/regulatory investigation, action, sanction or fine while contracted/appointed with Mutual of Omaha.
- Undisclosed prior criminal conviction or insurance department regulatory action, sanction or fine.
- Material breach of the producer's contract or Mutual of Omaha's policies.
- Illegal, unprofessional, improper, immoral, unethical, or questionable behavior including, but not limited to harassment, sexual harassment or threatening behavior.
- Conflicts of interest including, but not limited to, significant financial interest in a competing business, misuse of position or knowledge for personal gain or use of Mutual of Omaha's materials or equipment for personal purposes.

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- Violation of state or federal law or regulation.
- Poor customer service.

The investigation of complaints and the resolution of allegations involving the possibility of such behavior or activity is the responsibility of the Compliance and Ethics Division under the Producer Performance Program. The investigative process may include obtaining detailed written statements from a producer, the person responsible for supervising the producer, and/or any other parties (including other producers) who may have been involved in or witnessed the involved acts. When written statements are requested, the Producer Performance Program requires a response to such a request within five business days.

If, after investigation, it is determined that corrective action is needed as the result of the action of a producer, the producer will be advised of the appropriate corrective action with the most severe action being cancellation of the producer's contract.

