



Sales Organization General Policies and Guidelines Manual

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INTRODUCTION

Colonial Life & Accident Insurance Company (hereinafter referred to as “Colonial Life” or “Company”) has policies and guidelines to establish generally accepted practices and operating principles for the orderly conduct of business. They are also intended to ensure compliance with the law and consistency across territory lines.

This manual contains some of the Company’s current policies and guidelines, but not all. For example, other policies and guidelines may be set forth in field bulletins, correspondence or publications applicable to specific topics. The Company periodically updates this manual as needed. These guidelines include, but are not limited to:

- Compliance with regulatory requirement
- Risk management and market conduct
- Administrative matters

Colonial Life encourages you to become familiar with this information. By signing a Colonial Life contract, you agree to comply with our guidelines and policies in conducting business. Direct your questions about a guideline or policy to the appropriate department. Always refer to coloniallife.com for the most current version of the manual. While these guidelines are normally applied in most cases, we may make exceptions where appropriate.

Colonial Life reserves all of its rights included in its agreements with members of the sales organization. Any conflicts between these guidelines and Colonial Life’s contractual rights are resolved in favor of Colonial Life’s contractual rights. Any conflicts between this manual and any field policy manual previously published by Colonial Life will be resolved in favor of this manual. This includes any manual that detail general field policies and guidelines, including Regional Director, Marketing Director and Sales Director Policies & Procedures manuals, and the publication “RSP From A to Z”

The information in this manual is intended for the use of Colonial Life & Accident Insurance Company officers, employees, and sales representatives and managers only. Do not show it or give it to anyone not employed by or contracted with Colonial Life & Accident Insurance Company. This manual is the property of Colonial Life & Accident Insurance Company and shall be immediately returned to us on demand or upon the termination of your agreement with the Company.

ACCOUNT CODING GUIDELINES (Control of Accounts)

Accounts are considered Colonial Life's accounts, not yours, and you do not have any property rights to them. Colonial Life reserves the right to control the coding of these accounts to any other person at any time and for any purpose. The Company may remove you from an account at any time and for any reason.

If you transact business in an account coded to another person, Colonial Life has the right to refuse to pay commissions or award sales premium and sales credits.

Colonial Life is not bound by the terms of any agreement between producers concerning the opening, servicing, soliciting, enrollment or coordination of accounts, and can control the coding of accounts to any producer at any time and for any purpose.

Sales management can make coding recommendations, but the Company ultimately decides how accounts are coded. Consideration is given to an account's wishes if there is a dispute between producers. Coding requests must be received at least 10 business days prior to the effective date of the account.

ACCOUNT MANAGEMENT OF INFORCE ACCOUNTS

Every inforce account should be serviced and reworked on a consistent basis. In most situations, this means that each account should have new premium added each year. Sales managers and representatives are expected to work together to achieve maximum working conditions and consistently grow premium in each account. We may reassign accounts to a different sales representative or new sales management hierarchy if there are no sales in that account in an 18-month period or if it is determined that account reassignment is the best business decision.

When a broker influenced account has no sales in 18 months, the associated sales manager and rep are encouraged to consider the broker's overall block of accounts and market relationships. Account reassignment is a last resort and should occur only as the result of a discussion with the broker, and with consideration of possible impacts to our ability to actively market to and provide service for all accounts within the broker's control.

In every reassignment the sales manager carrying out the reassignment should notify the account, previous sales representative and manager/broker.

Colonial Life reserves the right to reassign accounts at any time and for any reason.

ACCOUNTS AND EMPLOYER RELATIONSHIPS

Communication at all levels for involved parties is the key to working through issues with employer and account relationships. Involve your hierarchy if you are unable to come to a solution. It is important to project a professional image and place the needs of the customer first at all times.

Active Colonial Life Accounts

What are they?

“Active” accounts are identified at the Employer ID Number level (may incorporate multiple Billing Control Numbers) and are accounts with additional new sales premium written within the last 18 months.

Active accounts should not be included in prospecting efforts and are expected to be serviced on a regular basis by the Sales and Service contact listed on the account in the Account Information Management System (AIMS).

Do not knowingly call on accounts that are coded to another representative. If you are near a business or given the name of an organization to contact, you should use the Colonial Life Agent Application on your phone to look up the account or contact your Territory Office to identify if the employer or business is a Colonial Life customer and their status.

If you accidentally contact an active Colonial Life account, be professional and show common courtesy. Ask if there is anything you could pass along to their representative, thank them for being a Colonial Life customer, and let them know you would make sure their representative was notified that you had been by. Stop any marketing activity and contact the current representative, along with immediate sales managers. If you learn of service concerns in the account, disclose those to all parties, including the current rep.

Active Accounts with low premium or penetration

If an active account is not currently producing a reasonable level of premium, has low penetration, has not been reworked regularly or has other issues that restrict premium growth, sales management should prepare an action plan that will result in premium growth, including but not limited to, reassignment of the account.

Inactive Colonial Life Accounts

What are they?

“Inactive” accounts are identified at the Employer ID Number level and are Colonial Life accounts that have gone 18 months or longer without additional new sales premium being written (often referred to as “unreworked” accounts).

If an account has Colonial Life coverage but has not had additional new sales in 18 months, contact your District Manager or Territory Sales Manager to discuss the potential opportunity. It is at their discretion how the account is handled.

While you may ultimately be selected as the service representative, do not set expectations with the account. Your sales manager can determine if the account is eligible for you to become the servicing representative. If the current service representative is in a different management hierarchy, contact the representative and the manager. The new manager is responsible for informing all affected parties when a change is made.

What about broker influenced accounts?

When a broker influenced account has no sales in 18 months, the associated sales manager and rep are encouraged to consider the broker's overall block of accounts and market relationships. Account reassignment is a last resort and should occur only as the result of a discussion with the broker, and with consideration of possible impacts to our ability to actively market to and provide service for all accounts within the broker's control.

In every reassignment the sales manager carrying out the reassignment should notify the account, previous sales representative and manager/broker.

New Account Acquisition: Multiple Representatives Prospecting the Same Employer Prospect (District or Territory)

In some instances, more than one representative or broker is calling on the same prospect. When this occurs, the sales representative who acquires a completed master application/account information form receives credit for the account. Although district managers may establish "protection" guidelines within their respective areas based on the review of weekly activity reports, there is no protection extended at the territory level for individuals who make previous proposals, presentations or solicitations to a prospective account and are unsuccessful in securing the master application.

If you prospect an account and are told that another representative already visited but made no appointment or presentation, notify your manager and pursue an appointment. Stop all marketing activity if another rep already made an appointment or presentation, unless there are unusual circumstances, such as broker influence or request of the prospect.

Use appropriate professional protocol in competitive situations and avoid involving the account in any "ownership" discussions.

ADVANCES

You may qualify to have certain commissions advanced to you before premiums are collected; however, you are also required to pay back advances from premiums that are never collected. We can take these unearned advances from commissions, bonuses or other compensation payable to you under the terms of your current agreement or any other agreement. We can also refuse to advance commissions, adjust the advance rate or discontinue making advances at any time and for any reason.

An individual or entity contracted under a broker or agency agreement is paid on an "as-earned" basis only.

You can request a change in commission payments to "advance" or "as-earned" no more than once per quarter, depending on your eligibility and advance qualification rules.

If you are currently on "advance" and would like to be placed on "as-earned," or vice-versa, send a request to Sales Compensation Services, along with your producer code number. You must meet advance guidelines.

If you change to as-earned, your advance "debt" is still withheld from your commissions until the debt is paid in full.

ADVANCE AND ANNUALIZED SALES PREMIUM ADJUSTMENT

A sales premium adjustment is needed when a policy is declined because an application is incomplete and we are unable to obtain a response from the writing-level producer. The producer's advance and sales premium credit is charged back as a declined policy.

AGENT OF RECORD (AOR) LETTERS

Producers are discouraged from soliciting Agent of Record (AOR) letters. Should the Company receive an AOR letter from an account asking that a particular producer be assigned to service that account, or that Colonial Life otherwise use that producer in transacting business with them, the Company will consider the request, but reserves the right to honor or refuse such requests.

The Company's sales contracts provisions take precedence in account reassignments. If an AOR letter is submitted it must be on the account's letterhead and signed by an authorized officer of the account and accompanied by a Commission Set-Up Sheet (CSUS). It should include the following information:

- Name of producer
- Name of account
- Billing Control Number
- Effective date of change

This can be processed online through CASSHM or sent in manually. TM approval is required. If crossing territories, the losing and gaining TM approval is required or VPS approval.

Producers who receive an AOR letter should review the letter with sales management and forward it to Sales Support Services as soon as possible.

AGREEMENTS AND CONTRACTS

Agreements

Colonial Life agreements meet a variety of situations. When recruiting an individual or organization, consider the best agreement based on the individual or organization's intentions and ability. Do not recommend an agreement that could result in failure to perform and eventual termination due to lack of commitment, compatibility or ability.

We encourage you to thoroughly read and understand your Colonial Life agreement.

- Colonial Life agreements should not be used in any manner that rewards the sales manager at the expense of the individual or Colonial Life.
- No individual may carry more than one active sales or sales management agreement at a time.
- If an unusual contract situation develops that requires special language or provisions in the agreement form contact Sales Contract Compliance.
- Colonial Life reserves the right to reject any recruit contract recommended by a sales manager.

The Pre-Contracting Process

The sales manager and the prospective rep or agency is responsible for completing all pre-contracting requirements. This process includes any pre-licensing education or certification requirements for an initial resident license required by the resident state department of insurance.

Colonial Life obtains criminal background checks as part of its contracting and appointment practices as permitted by law. Colonial Life's policy is that, before making any adverse decision based on a criminal background check, we will notify the prospect of the potential decision, provide a copy of the background report, and let him/her know how to dispute the report.

If we decline the contract based in part or in whole on the results of the background investigation, we send a declination letter and provide the recruit with the name, address and phone number of the consumer reporting agency/investigative service as required by the Fair Credit Reporting Act.

Contracts must be approved by the sales manager.

Contracting Process

We must receive completed, required contracting documents and approve the appointment before you solicit or influence Colonial Life business. The effective date of the contract, license and appointment must be before the first application submitted.

Once the contract is approved, the individual is appointed with the resident state department of insurance, and in any states for which a valid nonresident license is submitted.

Requests to Change Agreements

Contact Sales Contract Administration for necessary forms to change from one agreement to another. We must approve all requests. In most cases, the existing agreement and corresponding code number are terminated and a new agreement and new code number are issued.

Provisions of the original agreement control premium and any renewal commissions written under it and are not transferred to the new agreement. The new agreement controls any commissions payable on business written under it.

Broker Agreement

The Broker Agreement is available to either a business or an individual operating as an insurance broker or agency. All commissions are paid to the broker/agency, which is then responsible for compensating solicitors or licensed insurance agents that have been engaged by the broker/agency. All solicitors or licensed insurance agents of the broker/agency must sign a waiver of any right to receive Colonial Life commissions.

Where required by state law, solicitors or licensed insurance agents must be appointed by Colonial Life. When contracting a broker/agency, the Company orders any necessary background investigations. If a solicitor or licensed insurance agent wishes to leave a broker/agency and become personally contracted with Colonial Life, the broker/agency must send us a letter of release.

AGREEMENTS BETWEEN INDIVIDUALS

You are not authorized to make any agreement on behalf of Colonial Life. Colonial Life is not a party to, nor bound by, any agreement between individuals concerning a division of commissions, or concerning the opening, servicing, solicitation, enrollment, coordination or coding of accounts.

ANTI-MONEY LAUNDERING (AML) POLICY

The attempted use of financial institutions, including insurance companies, to launder money is a significant problem. Unum Group companies must comply with applicable Anti-Money Laundering (AML) laws and regulations and integrate its sales team into its AML program.

Salespeople are an integral part of the company's AML program due to their close contact with customers. As a result, salespeople will often be in a critical position of knowledge as to the source of funds, the nature of the customers, and the objective for which the insurance products are being purchased.

The AML program affects all salespeople contracted with the Company because policyholders or potential policyholders could purchase our cash value life insurance products with the intent to launder money.

Insurance policies covered under anti-money laundering requirements are:

- Universal Life and all similar products with cash value.
- Whole Life and all similar life products with cash value.

It is important that you take steps to “know your customer” – knowing the who, what, when, where and how of funding, ownership, management and business activity of our customers is critical to ensure that those with whom we interact are not aiding in money-laundering activities.

Some “red flags” to be aware of include:

- Suspicious payment, claim or sales activities
- Use of cash, cash equivalent, checks drawn on different accounts, or source not verified.
- Reluctance to provide information. Information provided is suspected false, inconsistent, or suspicious in nature.
- Cancellation of a policy without regard to penalties or fees.
- Demand for policy loan or surrender value quickly after policy issuance
- No apparent relationship between the policyholder and the insured, or beneficiary.
- “Accidental” overpayments of premium that require a large sum refund.

If you identify any suspicious activities, you are required to report it to us as soon as possible.

As a Colonial Life producer you are expected to review and be familiar with this policy. Failure to comply with the policy may subject you to disciplinary action including termination of your contract, as well as possible civil and criminal penalties. A copy of the Anti-Money Laundering Policy is maintained on Propr.

ASSIGNMENT OF COMMISSIONS

An assignment of commissions means you direct payments of your commissions and other compensation to a third party. Assignments are limited to:

- Sale of commissions from one agency to another provided that documentation of the terms of the sale is submitted along with the assignment.
- Broker-to-broker.
- Gift or sale of commissions by a producer to a corporation 100 percent owned by the producer.
- Gift or sale of commissions by a producer to his/her spouse, or to a corporation 100 percent owned by the spouse.

Colonial Life ultimately reserves the right to refuse to accept an assignment. The Company does not assume any responsibility for or guarantee the validity or adequacy of any assignment.

This policy is not related to normal commission splits between licensed and contracted producers on commission account set-up sheets, on sales summaries submitted with applications, and private payments between producers and other parties which do not involve Colonial Life.

BONUSES, INCENTIVES, RECOGNITION AND AWARDS

We may occasionally offer bonuses, incentives, and recognition and award programs, including conferences and meetings. We may change or discontinue such programs as appropriate at any time. Program guidelines detail your eligibility to participate in offered programs.

BROKER OF RECORD (BOR) LETTERS \ BROKER OF RECORD PROCESS

The Company may occasionally receive a written request from an account asking that a particular broker or producer (see Agent of Record (AOR) Letter) be assigned to service that account, or that Colonial Life otherwise use that producer or broker in transacting business with them.

The Company reviews all Broker of Record (BOR) letters, including change requests, and reserves the right to honor or refuse such requests. Requests from a customer or account submitted on an account's letterhead and signed by an authorized officer of the account should be honored and Colonial Life generally honors these requests. The Company recommends that, barring unusual circumstances, the existing commission split remain the same for the new broker in a BOR change. (For more information see the sections on Broker Relationships.)

Sales Managers and representatives should not facilitate or encourage BOR or AOR changes in existing accounts.

When You Receive a BOR Letter

Review it with your sales manager and forward it to Colonial Life as soon as possible. The BOR letter should include the following information:

- Name of new broker.
- Name of account.
- Billing Control Number.
- Effective date of change.
- Signature of an authorized officer of the account.

Important Guidelines

- All Colonial Life product lines from the account must transfer over.
- The BOR letter must be submitted on the account's letterhead and signed by an authorized officer of the account.
- The sales manager reviews the BOR for accuracy and credibility.
- Once the sales manager completes the review, he or she submits a new Commission Set-up Sheet and the original copy of the BOR letter to the territory manager. Forward the change to the Vice President of Sales (VPS) if the district manager directly reports to the VPS or if the change involves a territory change.
- After the territory manager/VPS approval, forward appropriate forms to Sales Compensation Services.

When We Receive a BOR Letter

When the Company receives a BOR letter directly from an account or broker, a copy of the letter is sent to the appropriate sales manager and sales rep for review. Follow the same guidelines and procedures as stated in the previous section.

Changing an existing Broker or a Broker split on a Case with a BOR letter

Territory manager approval is required to reduce an existing broker's commission split or to remove an existing broker from an account, unless territory lines are crossed which would require VPS approval. The territory manager is ultimately responsible for communicating the change to the broker being replaced, but the Company also notifies the broker. The effective date of the change is in accordance with the BOR letter. If there is a discrepancy between a Commission Set-Up Sheet and a BOR letter, the BOR letter takes precedence.

If the new broker/producer is not contracted with Colonial Life, a change is not made until the contracting and appointment process is complete.

Changing a Broker or Broker Split on a Case without a BOR Letter

There must be a valid business reason for making a broker commission account set-up change without a BOR letter. Provide your territory manager or district manager with an explanation that includes why the broker is being removed and why or if the broker's commission split is being reduced.

The following must then be adhered to:

- All Colonial Life product lines from the account must transfer over.
- The territory manager sends the explanation to Sales Compensation Services. A call to the replaced broker is generally a good practice, if the change is new to the broker.
- The territory manager also sends the Change of Broker form and a new Commission Set-up Sheet to Sales Compensation Services.
- If there is no territory manager and the district manager reports to the VPS, the district manager should forward a copy of the Commission Set-Up Sheet to the VPS. If the change involves a territory change, forward the Commission Set-Up Sheet to the VPS.

BROKER RELATIONSHIPS

Communication at all levels is the key to resolving broker relationship issues. If you can't agree on a solution, involve the next level of hierarchy. It is important to project a professional image at all times and place the needs of the customer first.

Broker relationships should be active and developed to consistently achieve maximum account and premium growth potential and maximum working conditions within accounts.

We may reassign brokers to a different or new sales management hierarchy or representative if it is determined that the relationship is not active or there are other issues that restrict premium growth and development. The sales manager carrying out the reassignment should notify the affected parties.

Colonial Life reserves the right to reassign or dual code brokers at any time and for any reason.

Meeting a "New" Broker

Keep your manager informed of all active broker relationships and document regular activity. If you approach a broker through any means, make an immediate attempt to determine if the broker is currently contracted with Colonial Life or working with another Colonial Life sales rep, including notifying your manager.

If the broker is not currently contracted or working with another sales rep, you can begin an active relationship, which includes having your manager contract the new broker.

"Active" Broker Relationships

An "active" broker relationship exists if the broker has produced new sales premium in the previous 24 months. Active broker relationships are protected, barring unusual circumstances.

If you come across a broker that is already appointed and active with Colonial Life, contact your manager to determine the status of the broker.

If the broker is coded to your manager, your manager determines the status of the relationship with the current rep and if the relationship is considered active.

1. If the broker is coded to a different manager, your manager notifies the current manager to determine the status of the relationship with the current rep and if the relationship is considered active.

You are strongly discouraged from attempting to intervene in an active broker relationship, but it is possible that a broker may request a relationship change. If a relationship change is requested from the broker, then you must submit a letter from the broker on their letterhead to your Territory Sales Manager stating their intention to work with you for business going forward. Your Territory Sales Manager will review and engage the sales manager of the sales rep with the current active relationship. Colonial Life reserves the right to reassign brokers at any time and for any reason.

"Inactive" Broker Relationships

An "inactive" broker relationship exists if the broker has not produced new sales premium in the previous 24 months.

Reengaging “Inactive” Brokers

Inactive broker reports will be distributed on a regular basis to Territory Managers (“TMs”) and Regional Broker Managers (“RBMs”). If the home office receives requests from the sales organization regarding an inactive broker, all relevant information will be provided to the requestor with a recommendation to connect with their TM / RBM.

The TM and RBM are the owners of the process to re-engage inactive brokers and are the key to managing and monitoring the assignments and results of brokers.

The TM and RBM will review the report and determine whether they can partner “inactive brokers” with a DGA or broker rep that could result in the opening of accounts and new sales.

The TM or RBM will reevaluate the DGA or broker relationship after six (6) months and consider where appropriate new partnerships could be recommended.

Once an enrollment is scheduled the TM will need to ensure the commission account reflects the desired roles/splits and that the hierarchy of the broker is correctly assigned to the DGA where override commissions are expected.

If the broker is no longer “active” in the marketplace, has sold their agency, etc., contact Sales Support Services.

BOR Changes in Accounts

BOR changes sometimes results in rep or commission coding disputes. Consider the following guidelines when handling disputes:

- Colonial Life is better able to protect its relationships with customers when we handle disputes in a positive manner.
- Key questions for TM’s to ask in resolving disputes include:
 - Who did the work?
 - What work did they perform?
 - Who will conduct enrollment fulfillment? Etc.
- Internal disputes should not negatively affect customers.

The following is for guidance in potential scenarios that you may encounter.

Direct Account Prospecting Leads to Brokers with “Active” Colonial Life Rep Relationships

Scenario #1: Rep direct markets an account, the account agrees, but wants us to work through their broker. The Broker is active with another Colonial Life rep but did not place us in the account the rep direct marketed.

In this scenario since the broker is an active broker with another Colonial Life rep, an Opener commission split between the prospecting rep who found the account and the broker’s rep is recommended.

We will respect the account’s desire around fulfillment and who they want to work with.

In this scenario there is value in both the prospecting rep securing an account and the rep with the broker relationship for having an active relationship with the broker. The prospecting rep deserves a split for having generated the activity that brought the account. Even if the prospecting rep conducts the enrollment, the broker's rep deserves a split due to having an active relationship with the broker and because the broker will be going back to their rep with questions. The split can be negotiated based on who is performing the work and the level of work.

We do not recommend dual code numbers for the broker in this situation.

Scenario #2: An existing Colonial Life account has a broker. A different broker with a relationship with a different Colonial Life rep gets a BOR on the account.

In this scenario pro-active communication should take place with the new broker to see if they want to change fulfillment from the existing rep to their relationship rep. Communication should not take place with the account.

In this scenario it is basically the broker's decision regarding who the broker will work with on the case. the new broker wants to change reps to their rep then service and compensation can be moved to the new broker and the new rep.

If the broker decides to maintain the existing rep then the reps can work out a transition opener commission split trail only if the broker's existing rep has some role in servicing. Make sure broker understands their compensation will not be affected by who does the fulfillment, provided the commission schedule is not changed.

There should not be an expectation for a broker dual code to the original unit or district in this situation.

Scenario #3: An account was opened directly and is active with Colonial Life. We receive a BOR on the account and the broker is contracted with a different rep.

In this scenario there is a distinction between a broker case and a direct case and we recommend a transition opener commission split if the broker wants to change reps from the existing rep to the broker's rep. Because the case is moving from direct to broker the original existing rep deserves to receive a transition Opener split of commissions.

Broker's Request to Work with a New or Different Colonial Life Rep

Managers should consider written broker requests to work with a different Colonial Life rep. The information used to make this decision should include:

- The relationship between the broker and the existing rep.
- Relationship between the new rep and the broker.
- How the request was obtained.

You are strongly discouraged from marketing to "active" brokers. But if your manager approves, the existing Colonial Life rep would maintain existing accounts with that broker and you would service new cases. Though it is possible for dual codes to be assigned (in the event of a different manager hierarchy), this is not required for a replaced representative to service existing clients.

NEVER encourage brokers to switch his or her relationship from another representative by offering higher commissions to the broker.

Guidelines for Commission Split Transitions

When commission split transition arrangements are utilized it is generally for a 12-month duration. Commission split arrangements are generally slanted with greater weight toward the person who generated the activity.

CLAIMS

Appropriate Claims Involvement Regarding Customer Contact

Actions You CAN Take to Assist a Customer

- Set appropriate expectations for claims resolution.
 - Our goal is to provide accurate and timely resolution of claims. Acknowledgement of claims and updates on claims status are provided by the Home Office through telephone, email, mail, and on myColonialLife.com.
 - Encourage customers to go to Coloniallife.com to complete a claim form online. They can print the form and fax or mail it.
 - Explain that claims with missing information take longer to process. Encourage the customer to make sure all questions are completed on the claim form.
 - A signed and dated Authorization (HIPAA) form is required to obtain any needed medical information.
 - Explain that sickness claims occurring in the first year after the coverage effective date often take longer to process due to medical information needed for the pre-existing conditions limitation. Due to HIPAA regulations, most facilities now require a written request to obtain medical records.
- Explain eligibility for coverage vs. eligibility for claim benefits.
 - Make sure the customer understands that coverage (in certain circumstances) may be issued regardless of health history, but guaranteed issue does not waive any policy requirements.
 - Explain the pre-existing conditions limitation in detail at the point of sale. A claim may not be covered even though the policy was approved and issued.
 - If we replace another carrier, Underwriting must give approval in advance to offer Credit for Time Insured. In approved cases only those insureds covered by the prior plan will be given credit toward the pre-ex period.
- Explain all exclusions or limitations as shown on the brochure and/or Outline of Coverage, including pre-existing conditions and the Giving Birth limitations.
- Use the Service Guide for Policyholders to provide guidance to customers.
- We respect the customer's privacy. Remind customers to ***initial*** their selections under the Optional Service Release Agreement on the first page of most claim forms if they plan to

request your assistance during the claims process. Without the customer's written permission, we will be unable to provide you with detailed claim information.

Actions You Should NOT Take When Assisting Customers

- NEVER complete any part of the claim form for customers.
- NEVER request or obtain any medical information on behalf of the customer. The Claims Department notifies customers of the information we are attempting to obtain, from whom, and why the information is necessary.
- Do not coach customers on ways to complete information in order to get a claim paid.
- Do not estimate claim benefits or estimate the end of the birth exclusion or pre-ex period, etc.; customers will hold you to it.
- Do not ask customers to submit claims through your office. If you do receive information from a customer, it should immediately be forwarded to the Home Office. Most states have strict time requirements to acknowledge and process claims. We lose valuable time if you have the claim in your possession.

Handling Customer Phone Calls about Claims

- Ask if the customer has received correspondence from us. You may be able to answer basic questions about information we have requested. Some claims information is available to you on the Account Information Management System (AIMS).
- Remind the customer that you can only obtain information if he\she gave permission on the Optional Service Release Agreement on the claim form.
- Direct the customer to the Contact Center at (800) 325-4368, if he\she has not yet called. Customer Service representatives are available from 8:00am to 8:00pm EST Monday – Friday. Claims information is available 24/7 via the VRU and/or on myColonialLife.com.
- If a claim was denied, and the customer disagrees with the decision, encourage the customer to follow the appeal instructions listed at the end of the letter. Appeal requests must be submitted by the customer within the time period stated.

CODE NUMBERS

You are assigned a code number for payment of commissions and to allow you to track your business.

Guidelines for Dual Code Numbers for Sales Representatives and Sales Managers.

In general, Dual Code Numbers should not be used for sales representatives and managers.

If requested and approved, Sales Contract Administration may assign dual code numbers to a producer if the situation warrants it.

Guidelines for Dual Code Numbers for Brokers

Dual codes are generally used for brokers who have multiple locations or multiple producers where future business can be generated and relationships developed. In such situations there can be opportunities for new relationships to be developed while also preserving the original relationship.

If requested and approved, Sales Contract Administration may assign dual code numbers to a contracted broker/agency if the situation warrants it,

The Vice Presidents of Sales should contact Sales Contract Administration to discuss any other situations that may need a dual code number before offering dual code numbers as a possible solution.

COLLABORATION BETWEEN COLONIAL LIFE AND UNUM

Voluntary Benefits Partnership Strategy - Unum US and Colonial Life

Replacement Compensation Policy -Effective for coverage dates after December 31, 2011

Active lines of business -- Active lines of business are identified at an account level. An account is active and all inforce lines of business are active if participation meets these minimum thresholds:

- 5-499 employees; replacement compensation guidelines do not apply
- 500-999 employees; 10 percent of eligible employees are active insureds/payers for all lines of business
- 1,000+ employees; 10 percent of eligible employees are active insureds/payers on all lines of business

Replacement -- Replacement of active lines of voluntary business is discouraged and should only occur when requested by the client. Pricing parity and internal compensation rules reinforce this position. Replacement occurs when either company loses either payroll deduction rights or enrollment privileges on an active line of business.

Permanent Life Insurance (Universal Life and Whole Life) -- Neither Unum US nor Colonial Life will support or condone the wholesale replacement of individual permanent life insurance, and no compensation will be payable to the sales representative for replacements of this coverage.

Compensation -- If an account with 500-999 employees has active lines of business and you replace Unum US coverage with Colonial Life coverage, then internal compensation (base commission and goal achievement bonus) will be paid as follows:

- **Enroller and coordinators** – commissions, sales credits and overrides paid as normal.
- **Brokers** -- Opener commissions paid and premium credit toward the broker bonus credited as normal.
- **Openers** – Commissions, overrides, and bonuses treated as an existing account, not as a new account.
- **Case count** – Since this is treated as an existing account, case count is not given.

Accounts with 1,000 or more employees will be evaluated on a case by case basis. An officer or decision maker with the account must provide a written request (on company letterhead) stating their intention to change carriers and the reason for making the change. Intercompany replacement requires the approval of both the Regional Vice President of Sales and Underwriting Management and will be strongly discouraged. New account credit will be subject to review.

We reserve the right to withhold all internal compensation if active lines of voluntary business are replaced.

COMMUNICATION METHODS AND SYSTEMS

All of Colonial Life's information and communications systems are company assets and should be used only for business. These include, but are not limited to, Outlook, Harmony®, Propr, ColonialConnect for Brokers®, laptop sales technology and software, voice response, etc. We reserve the right at any time to remove an individual from our mailing lists or electronic communications network.

Electronic Communication

Electronic communication (e-mail) is a fast, easy and convenient communication vehicle. It is, in many cases, the preferred method of communications between the sales organization and Colonial Life.

E-mail messages should have a clear business purpose. You are responsible for e-mails you create or forward to other parties, and for addressing your messages to the correct audience. You are also responsible for correctly identifying yourself. Consider the tone and language and the effect your message may have on Colonial Life's reputation and/or competitive advantage if its contents were made public. E-mail is an effective way to communicate but should not be used to transfer sensitive information that may not be secure.

Outlook is the authorized e-mail system for the sales organization. It is a powerful tool that provides you with almost universal access to your corporate e-mail, including e-mail messaging, scheduling, and personal information management.

No Expectation of Privacy

E-mail messages are not private, whether created for business or incidental personal use. All e-mail messages transmitted via Outlook become the property of Colonial Life and the company reserves the right to monitor and/or view the content of any e-mails or files that have been delivered, received or stored. In addition, e-mail messages may be subject to public disclosure in litigation or during regulatory proceedings.

Harmony®

The Harmony® system can only be used for enrollments approved by Colonial Life as Harmony enrollments where Colonial Life products are offered. The Harmony system is to be used solely and exclusively for the benefit of Colonial Life. You may not use, print, copy or display the Harmony system in whole or in part except as expressly set forth in this paragraph. You cannot allow any other party to use, print, copy or display the Harmony system in whole or in part under any circumstances or for any purpose.

Misuse of the Harmony systems in any way could be considered potentially harmful and disruptive to our business, and therefore, any misuse of the system could lead to the termination of your Colonial Life agreement.

COMPENSATION CHARGEBACKS

A chargeback is a charge against earnings that an individual may be eligible to receive from his/her agreement with Colonial Life.

Examples of instances in which chargebacks are made include, but are not limited to, lapsed policies and policies that are never put in force (never effects).

COMPENSATION DISCLOSURE

Colonial Life supports the full disclosure of all compensation paid to producers on the insurance products purchased by our clients.

Producers must inform accounts that (1) they are eligible to receive compensation from the Company for the sale of any insurance product, and (2) compensation includes not only commissions but also overrides, bonuses, and other types of incentives and awards. If requested by the account, the producer or the Company shall provide to the account the rate or amount of total compensation for which the producer is eligible from the Company attributable to the insurance coverage sold in the account by the Company. Where the producer is being directly compensated by the account and the account does not consent to the Company also paying compensation to the producer, the producer shall not be entitled to any compensation from the Company on sales of insurance in the account. Producers shall comply with all state and federal laws and regulations regarding disclosure of compensation.

COMPENSATION SHARING

Commission Setup Sheets

All affected reps should receive copies of Commission Setup Sheets from their manager for all new accounts and existing accounts that require changes to commission coding.

Commission Splits

If you and another rep agree to jointly work in an account, we recommend that you follow these steps in every commission split situation:

- Agree on splits before the final sale.
- Put your agreement in writing.
- Obtain your manager's approval.

Commission Splits with New Reps

New sales representatives often need help from managers and veteran reps when prospecting and closing accounts. It is generally accepted that a new rep should receive 100 percent of the opener and case count credit for their first case. This should occur regardless of the level of support provided by the manager.

The following are generally accepted guidelines to follow for splitting of opener compensation and case count bonus credit:

	% Opener	% Case Count
Sales manager prospects and closes with new sales rep participating	50/50	50/50
New sales rep sets appointment and sales manager helps close	100% to rep	100% to rep
Veteran rep prospects and closes with new sales rep participating	50/50	50/50
New sales rep sets appointment and veteran rep helps close	Negotiated case by case	Negotiated case by case

Out of Area Cases

If you sell an account that is based outside of your area and are unable to perform the initial or ongoing enrollments, the opener commission should be structured to encourage local rep support. In most situations it is recommended that the local rep be given a portion of the opener split for cases so that there is incentive for him or her to service the account on an ongoing basis.

COMPETITIVE PRODUCTS REVIEW / REQUEST FOR CONTRACT WAIVER

Our agreements prohibit you from introducing competitors to Colonial Life accounts. The agreements also ban soliciting or accepting the sale of competitive products into any account where we have payroll deduction or solicitation privileges, or have inforce Colonial Life insurance coverage that is employer-paid. Your agreement can be terminated if you do not comply with the terms and conditions of it and you may also forfeit your commissions.

Under certain business conditions and circumstances, we may grant a waiver for the sale of a competitive product in an account by a Colonial Life representative, as stated in the Prohibited Acts provision of the agreement. (Ex: Section VIII-C, Sales Representative Agreement). Exceptions include, but are not limited to, instances in which Colonial Life and our corporate affiliates are unwilling or unable to offer particular products in a Colonial Life account, or when an exception would support an alliance, partnership or other business arrangement between Colonial Life and another insurer.

Requesting a Waiver

Sales managers should first call the Product Development Department to determine if the potential competitor product appears to compete with another Colonial Life product. If a competitor product is competitive, the sales manager must send a written request for a waiver to the Vice President of Sales. The request should include:

- Name and type of competitor product
- Name of other insurance carrier
- Colonial Life account(s) where product would be offered
- Frequency with which this product would be offered, such as initial enrollment only, limited time, specific enrollment date(s) or all enrollments.
- Names of Colonial Life representatives who would offer this product.
- Compelling business reason(s) for Company to consider approving the waiver
- Any other important information

A Colonial Life senior sales officer and VPS review the request and supporting documentation and determine if a waiver will be granted based on the best business interests of the company.

If the waiver is approved, the VPS forwards the supporting documentation and approval to Sales Contract Compliance, who prepares and distributes the waiver to the sales manager and representatives involved.

COMPLAINTS RECEIVED FROM INSURANCE DEPARTMENTS AND OTHER SOURCES

Complaints received from customers, state insurance departments, state or federal attorney generals' offices, state or federal legislators' offices, or consumer protection agencies are tracked and responded to by the Customer Relations Department.

If the Home Office requests a statement from you related to a complaint, remember that all complaints require your *written* response within the specified number of days. State insurance departments have mandated limited response deadlines by law, so it is important that you respond immediately to allow us to respond and meet the deadline. In addition, the Company has timeframes that must be met for complaints received from other sources.

If you receive a complaint directly from a customer, a state insurance department, or any other source, immediately forward any correspondence to the Customer Relations Department at CustRel@Unum.com or Fax # 423-386-2056. Do not respond to the complaint first.

COMPLIANCE

Advertising and Sales Materials

State insurance departments have strict advertising guidelines that specify what's considered advertising and what can't be used as an insurance advertisement or sales material. Anything considered "advertising" by state advertising regulatory associations must meet their specific guidelines, and there are broader issues to consider such as improper use of copyright material, vendor references, and other considerations. "Advertising" includes anything printed or digital, such as posters, fliers, emails, ads and websites. As a member of the sales organization in a heavily regulated industry, it's important to understand that advertising includes the obvious - like newspaper ads, articles and ads in trade publications, ads in sports programs and also some things like payroll stuffers, brochures, fliers, posters, presentations, recruiting materials and stationery regardless of the method of distribution. Even websites and social media sites may be considered advertisements by departments of insurance, whether it's an agent site or information about Colonial Life that a third party may include on its site.

Rep-Created Materials

A Colonial Life sales representative or sales manager **cannot** create their own marketing materials or advertising. When sales representatives create their own marketing materials that represent Colonial Life, its programs and/or services, they put themselves and the company at risk. Only advertising, branding, or marketing materials created and provided by Colonial Life are to be used by a sales representative or manager.

Colonial Life's sales support and marketing materials were designed to meet your sales needs and help ensure that you and the company are protected from a contractual and regulatory standpoint. In addition, it helps us all if we promote our Colonial Life brand consistently across the country.

Colonial Life provides a wealth of effective, approved materials available for your use, and we encourage you to use these materials and not create your own. See the Promote My Business section on Propr for more information on advertising, marketing and promoting your business.

Failure to adhere to the company's advertising guidelines is a direct violation of your Colonial Life contract and could result in termination of that contract.

CONDUCT WITH PROFESSIONAL STANDARDS

While transacting business for Colonial Life you are expected to conduct yourself in a professional manner at all times and refrain from inappropriate behavior. This conduct applies to your dealings with other Colonial Life producers, agents, managers, brokers, agencies, and employees, as well as policyholders, plan administrators, and others with whom you come in contact with in the transaction of business.

CONTRACT COMPLIANCE

Sales representatives and managers recruited to Colonial Life are expected to comply with all provisions in their Colonial Life career contracts, including but not limited to, the Prohibited Acts and Covenant Not to Compete provisions. In addition, Colonial Life expects any individual recruited to the company to know and understand any contractual obligations that the individual may have to another carrier with which the individual may have been previously contracted, and to comply with any applicable obligations in the transaction of business on behalf of Colonial Life. Colonial Life cannot provide advice or legal support to the individual regarding obligations that he or she may owe to a previous carrier, as that is a contractual matter strictly between the individual and the previous carrier.

CONVERSIONS

An existing policyholder in a payroll deduction account, because of a change in the policyholder's status, may change the method of premium payment on the policy from payroll deduction to individual premium payment. If you convert a payroll deduction policy to individual pay basis, you receive the appropriate commission. If the coverage is in renewal status, you must be qualified to be paid renewals. If you are the original writing producer, you only continue to receive the appropriate commission if you are also the producer initiating the conversion, or if the conversion is initiated by the company.

CORE BENEFIT ENROLLMENTS/ENROLLMENT SERVICES – CONTRACT WAIVER

A Core Benefit Enrollment is defined as the process of communicating and enrolling an employer's core benefits program, including major medical, dental, basic term life, dependent term life, accidental death and dismemberment, and disability. Since there may be some circumstances considered violations of our "Prohibited Acts" and the "Covenant Not to Compete" provisions, a special waiver exists for any Core Benefit Enrollment that includes the offering of Colonial Life products at the same time and in the same manner that the employer's core benefits are communicated and enrolled. This waiver includes the payment of premiums for Colonial Life products on a payroll-deduction basis.

The Waiver States:

Until further notice, Colonial Life waives Provision VIII.A.6 and Provision IX.C.3 of the Sales Representative Agreement, the District Development Director Agreement, the Agency Development Manager Agreement, the Public Sector Manager Agreement and the Public Sector Assistant Manager Agreement, and Provision VII.A.6 and Provision VIII.C.3 of the District General Agent Agreement (hereinafter collectively referred to as "Agreements").

Under this waiver, Colonial Life will not consider the solicitation and acceptance of sales of a competitor's products in, or introduction of a competitor into, a Colonial Life payroll account to be a violation of the contractual provisions mentioned above, if such acts occur during a Core Benefits Enrollment meeting the conditions outlined above.

This waiver is limited to the circumstances and contractual provisions specified above. All other provisions of the Agreements will remain in full force and effect. Colonial Life reserves the right to withdraw this waiver at any time if it deems appropriate. Should a determination be made to withdraw this waiver, notice of this decision will be provided to the sales organization.

CUSTOMER PATH PROGRAM (HOME OFFICE VISITORS PROGRAM)

The Customer Path Program provides visits and on-site tours for our potential customers, existing customers, the community and the sales organization. Each visitation must have a home office host responsible for the meeting. The host accompanies the guest on the tour and is responsible for organizing the agenda.

DIRECT DEPOSIT AND PAPER CHECKS

It is recommended that you have your compensation deposited electronically into a designated bank account or accounts by completing required forms. Find the forms on [Propr at Coloniallife.com](http://Propr.Coloniallife.com) and click on Compensation & Incentives > Incentives > Direct Deposit.

If you do not select direct deposit, you receive a paper check through the mail when the accumulated compensation amount reaches a gross payable of \$200.00. While funds from a direct deposit are generally available immediately, you may have to wait several days for mail delivery. Also remember that if a paper check is lost or misplaced, there is a ten (10) business day waiting period from the date the paper check was originally mailed before a replacement check can be issued to you.

E-MARKETING AND ANTI-SPAM

Colonial Life expects any individual contracted with the company to know, understand and follow the CAN-SPAM Act related to commercial e-mail. Any e-mail sent for marketing, sales, advertising, promotion, or any other commercial purpose is subject to the CAN-SPAM regulations.

The CAN-SPAM Act of 2003 (Controlling the Assault of Non-Solicited Pornography and Marketing Act) sets requirements for those who send commercial e-mail, and it spells out penalties for spammers and companies whose products are advertised in spam if they violate the law. The law covers e-mail whose primary purpose is advertising or promoting a commercial product or service, including content on a website.

Violations of the CAN-SPAM Act can not only be costly in dollars but also in reputation – yours and the company's as a whole. For more information and updates, go to the Federal Trade Commission website at www.ftc.gov/spam.

Key provisions of the law

- **Only send e-mails to a permission-based list.** Don't assume you have permission to e-mail someone just because you bought or were given a list – you have to get permission! Be careful of third-party lists that you can buy or rent. Create your own permission-based list by encouraging

your target audience to sign up for your e-mail communications every chance you get – at trade shows, in ads, on websites, etc.

- **You must include a valid, working return e-mail address.** And it must be the address of the person or company who is sending the message. False or misleading header information is prohibited, including the *from*, *reply-to* and *to* fields and the e-mail's routing information. Your e-mail's "From," "To," and routing information – including the originating domain name and e-mail address – must be accurate and identify the person who initiated the e-mail.

- **You must include a valid physical postal address** for the sender and clearly identify your message as an advertisement or marketing message. Your message must contain a clear and conspicuous notice that the message is an advertisement or solicitation and that the recipient can opt out of receiving more commercial e-mail from you. It also must include your valid physical postal address.

- **You must include a WORKING opt-out mechanism**, which means you have a mechanism for deleting people permanently from your list who opt-out. You must provide a return e-mail address or another Internet-based response mechanism for opt-out requests, and you must honor the requests. Any opt-out mechanism you offer must be able to process opt-out requests for at least 30 days after you send your commercial e-mail. When you receive an opt-out request, the law gives you 10 business days to stop sending e-mail to the requestor's e-mail address.

- **You must include a RELEVANT subject line.** The law prohibits deceptive subject lines, so your subject line should accurately represent what the e-mail message is about.

FELONY CONVICTIONS REPORTING

You are required to report to the AVP of Sales Contract Compliance within 10 days of being convicted of any state or federal felony. Your report must include the crime for which you were convicted, the jurisdiction in which the conviction occurred and the date of the conviction. Failure to comply may result in termination of your agreement.

HIERARCHY CODING OF FAMILY MEMBERS, DOMESTIC PARTNERS, AND INDIVIDUALS IN ROMANTIC RELATIONSHIPS

Definition of relationships: To avoid a conflict of interest or appearance of a conflict of interest, the definitions of relationships, covered in this policy should be interpreted very broadly.

Family Members

- Spouse/Domestic Partner and the following relatives of you or your spouse/domestic partner
 - Parents
 - Children
 - Stepchildren
 - Brothers/Sisters
 - In-laws (Mother/Father, Sister/Brother, Son/Daughter)
 - Aunts/Uncles
 - Step Brothers/Sisters
 - Nieces/Nephews

- First Cousins
- Anyone sharing the same household

Romantic Relationships

- Consensual Romantic Relationship - Dating casually or exclusively
- Consensual Sexual Relationship - One involving sexual contact of any degree

General Policy

Colonial Life may allow the recruitment, selection and development of family members or individuals in romantic relationships in various sales and field management positions. We give careful consideration to any situation that would place family members or individuals in romantic relationships in a sales management relationship to each other. We reserve the right to refuse any hierarchy coding that would result in an intra-family sales management relationship or to transfer any person as appropriate or to take appropriate measures to protect the integrity of our compensation and performance systems and ensure a level playing field for all eligible roles and contracts.

Hierarchy Coding of Spouses \ Domestic Partners\ Romantic Relationships

Prior home office approval is necessary for any situations where spouses\domestic partners\or individuals in a romantic relationship would be coded as sales managers within the same sales management hierarchy.

We review on a case-by-case basis when individuals in a direct sales management relationship marry,or become domestic partners or become involved in a romantic relationship, and the involvement results in a sales management relationship that would not otherwise be permitted under these guidelines.

Hierarchy Coding of Other Family Members

We must give advance approval of any new situations where family members other than spouses or individuals in romantic relationships will be coded in a direct sales management hierarchy. The sales manager must submit a written recommendation to the VPS and the home office.

The sales manager is accountable for managing family member situations. The burden is on the sales manager and the family member to prove, to our satisfaction, that the family relationship does not interfere with normal conduct of business.

HIERARCHY RELATIONSHIPS: REPRESENTATIVE TO MANAGER

Complaints about manager behavior should be addressed directly with the manager first. It is important to give the manager the opportunity to respond to issues before moving complaints to higher levels of sales management. Skipping levels of hierarchy in the normal course of business is inappropriate and discouraged; however, certain circumstances may require it.

If you have addressed your concerns directly with your manager with no resolution, talk to your territory manager or next level of hierarchy. Document any serious concerns for future reference.

HIPAA (PRIVACY OF PROTECTED HEALTH INFORMATION)

The Federal Health Insurance Portability and Accountability Act of 1996 requires Colonial Life to protect the privacy of individually identifiable health information about its customers.

Because you are considered a Colonial Life business associate as defined in the Act, the Company is required to ensure that they take steps to protect the privacy of such health information.

Following is the Company's Statement of Policy regarding protection of the privacy of customers' personal health information and provisions required by HIPAA. Although HIPAA requires the Company to protect the privacy of its customers' personal health information, remember that it is also a good business practice.

Colonial Life acts as a "covered entity" and Business Associate acts as a "business associate" of Covered Entity, as those terms are defined under the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, and the regulations promulgated thereunder as amended from time to time (collectively "HIPAA");

Under the underlying Sales Agreement, Business Associate (BA) will provide to Covered Entity certain products or services that may require Business Associate to create, receive, maintain, or transmit certain Protected Health Information ("PHI"), that is confidential and must be afforded the special treatment and protection described in this BA Agreement.

Business Associate will have access to and/or receive from Covered Entity certain PHI that can be used or disclosed only in accordance with this BA Agreement, HIPAA, and other applicable state or federal laws, and,

Business Associate desires to provide Covered Entity with Satisfactory assurances that it will comply with provisions of HIPAA applicable to Business Associates.

To the extent that you create, receive, maintain, transmit or access, from or on behalf of the Company, Protected Health Information ("PHI"), as that term is defined by the Health Insurance Portability and Accountability Act, as amended from time to time ("HIPAA"), you also agree to comply with HIPAA, and further, you also agree to and shall comply with the following provisions (hereinafter referred to as "Business Associate Addendum"):

BUSINESS ASSOCIATE AGREEMENT

Covered Entity and Business Associate agree as follows:

1. Definitions Capitalized terms used, but not otherwise defined, in this BA Agreement shall have the same meanings as those terms are given in HIPAA.

Business Associate means a Broker, Agency, Sales Representative, Manager or other person contracted with Covered Entity under a Sales Agreement.

HIPAA Rules means the Privacy Rule (45 CFR Part 160 and Part 164, Subparts A and E), the Security Rule (45 CFR Part 160 and Part 164, Subparts A and C), the Breach Notification

Rule (45 CFR Part 164, Subpart D), and Enforcement Rule (45 CFR Part 160 Subpart C, D, and E) all as may be amended from time to time, and such other related rules as may be promulgated from time to time.

2. Permitted Uses and Disclosures by Business Associate

2.1 For the Specified Purposes. Business Associate may only use or disclose PHI as necessary to perform the services set forth in the Service Agreement. Business Associate is not authorized to use PHI to de-identify the information in accordance with 45 CFR § 164.514(a)-(c), or otherwise.

2.2 Required by Law. Business Associate may use or disclose PHI as Required by Law.

2.3 Minimum Necessary. Business Associate agrees to limit uses, disclosures of, and requests for PHI to the minimum necessary to accomplish the intended purpose of such use, disclosure or request, in accordance with 45 CFR § 164.502(b).

2.4 Privacy Rule. Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth below.

2.5 Use for Management, Administration and Legal Responsibilities. Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of the Business Associate.

2.6 Disclosure for Management, Administration and Legal Responsibilities. Business Associate may disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided that the disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

2.7 Data Aggregation. Business Associate may provide Data Aggregation services relating to the Health Care Operations of the Covered Entity.

3. Business Associate's Obligations

3.1 Limits on Use and Further Disclosures. Business Associate agrees not to use or disclose PHI other than as expressly permitted or required by this BA Agreement or as required by Law.

3.2 Safeguards. Business Associate agrees to use appropriate safeguards, and comply with the Subpart C of 45 CFR Part 164 with respect to Electronic PHI, to prevent use or disclosure of the PHI other than as provided for by this BA Agreement.

3.3 Reporting.

3.3.1 Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this BA Agreement, of which it becomes aware, including any Breach of Unsecured PHI as required at 45 CFR § 164.410, and any Security Incident of which it becomes aware. The parties agree that the term Security Incident does not include trivial and unsuccessful incidents such as pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, or denials of service.

3.3.2 Business Associate agrees to report any actual or likely Breach of Unsecured PHI ("Breach") as soon as feasible, but in no event more than 24 hours of a known Breach. Business Associate shall; (a) promptly investigate any Breach and remedy the circumstances that permitted the Breach to occur; (b) reasonably cooperate with Covered Entity in investigating any Breach; (c) implement such measures as deemed appropriate by Covered Entity, in its reasonable discretion, to mitigate any harmful or potentially harmful effects of such Breach, including notifying impacted individuals, appropriate authorities and media and providing all impacted individuals with services to protect themselves against identity theft or other harm; (d) notify Covered Entity of the results of any investigation, mitigation and any remedial steps taken in response to the Breach; (e) bear the expense of any such investigation, mitigation or remedial measures; and (f) reimburse Covered Entity for any reasonable expenses incurred by Covered Entity in connection with such investigation, mitigation or remedial measures. Business Associate shall not deliver any notification to impacted individuals, relevant authorities, or the media that references Covered Entity in any manner without the express written approval of Covered Entity, such approval shall not be unreasonably withheld, conditioned or delayed.

3.4 Subcontractors. In accordance with 45 CFR §§ 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, Business Associate agrees to ensure that any subcontractor, that creates, receives, maintains or transmits PHI on behalf of Business Associate, agrees to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information.

3.5 Access. At the request of Covered Entity, and in the reasonable time and manner designated by Covered Entity, Business Associate agrees to make available PHI in a designated Record Set to Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR § 164.524.

3.6 Amendment. At the request of Covered Entity, and in the reasonable time and manner designated by Covered Entity, Business Associate agrees to make amendments to PHI in a Designated Record Set, as directed or agreed to by the Covered Entity pursuant to 45 CFR § 164.526, or take other measures as necessary to satisfy Covered Entity's obligations under 45 CFR § 164.526.

3.7 Accounting. Business Associate agrees to maintain and make available, the information required to provide an accounting of disclosures, to the Covered Entity in the reasonable time and manner designated by Covered Entity, as necessary to satisfy Covered Entity's obligations under 45 CFR 164.528.

3.8 Carrying Out Covered Entity's Obligations. To the extent that Business Associate is to carry out one or more of Covered Entity's obligation under 45 CFR Part 164, Subpart E, Business Associate agrees to comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s).

3.9 Access to Books and Records. Business Associate agrees to make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

4. Electronic Transactions Rule

4.1 General Obligations. Business Associate may, from time to time, conduct transaction, on behalf of Covered Entity, that are subject to the Electronic Transactions Rule ("Transactions"), at 45 CFR Part 160, Subpart A and 45 CFR Part 162, as the same may be amended from time to time. In the event that Business Associate does conduct such Transactions, Business Associate agrees that it will adhere to all applicable requirements of the Electronic Transactions Rule, including the requirement to conduct Transactions using the standards and code sets adopted by the U.S. Department of Health and Human Services under 45 CFR Part 162, commonly referred to as the "HIPAA EDI Standards."

5. Covered Entity's Obligations

5.1 Notice of Privacy Practices. Covered Entity shall notify Business Associate of any limitations in the notice of privacy practices of Covered Entity under 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

5.2 Change in Permission. Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

5.3 Restrictions. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 CFR § 154.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

6. Term and Termination

6.1 Term. The Term of this BA Agreement shall be effective immediately, and shall terminate on the date when Business Associate no longer continues to provide services under the Service Agreement, or on the date Covered Entity terminates for cause as authorized by paragraph 6.2, whichever is sooner.

6.2 Termination for Cause. Covered Entity may terminate this BA Agreement and any other related agreements if Covered Entity determines Business Associate has violated a material term of this BA Agreement, and Business Associate has not cured the breach or ended the violation within the time specified by Covered Entity.

6.3. Obligations of Business Associate Upon Termination. Upon termination of this BA Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:

6.3.1 Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;

6.3.2 Return to Covered Entity or destroy, the remaining PHI that the Business Associate still maintains in any form;

6.3.3 Continue to use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to Electronic PHI, to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;

6.3.4 Not use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set out at paragraphs 2.5 and 2.6 of this BA Agreement which applied prior to termination; and,

6.3.5 Return to Covered Entity or destroy the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

6.4 Survival. The obligations of Business Associate under Sections 3 and 6 of this BA Agreement shall survive termination of this BA Agreement for so long as Business Associate retains any PHI. In addition, Sections 7.4, 7.5, 7.6, 7.7, 7.9, 7.11, 7.13 and 7.15 shall survive termination of this BA Agreement.

7. Miscellaneous

7.1 Property Rights. All PHI shall be and remain the property of Covered Entity. Business Associate shall acquire no title or right (other than rights expressly provided herein) to the PHI, including any de-identified information, as a result of this BA Agreement.

7.2 Choice of Law. This BA Agreement shall be construed in accordance with and governed by the law of the State of South Carolina without giving effect to its laws, rule or principles governing conflicts of laws.

7.3 Disputes. Disputes arising as a result of this Business Associate Agreement shall be resolved in the same manner as any other dispute arising under the underlying contract. Refusal or failure of a party to comply in good faith with the alternative dispute resolution procedures in the underlying contract shall constitute a material breach of the BA Agreement.

7.4 Injunctive Relief. Business Associate acknowledges and agrees that any use, disclosure, or maintenance of any PHI in a manner inconsistent with this BA Agreement may give rise to irreparable injury to Covered Entity for which damages would not be an adequate remedy. Accordingly, in addition to any other legal remedies, which may be available at law or in equity, Covered Entity shall be entitled to seek equitable or injunctive relief regarding the use or disclosure of PHI in violation of this BA Agreement.

7.5 Binding Nature and Assignment. This BA Agreement shall be binding on the Parties hereto and their successors and assigns, but neither Party may assign this BA Agreement without the prior written consent of the other which consent shall not be unreasonably delayed, conditioned or withheld. Nothing in this BA Agreement shall create or be deemed to create any third party beneficiary rights in any individual or entity.

7.6 Notices. Any notice required or permitted under this BA Agreement shall be in writing and may be (a) delivered in person, (b) sent by certified mail, return receipt requested, postage prepaid, to the address of the party, or to such other address as a party may direct in

writing from time to time, or (c) displayed on Propr. Notice will be deemed to have been received by the addressee at the earlier of actual receipt (or refusal to accept receipt) or the fifth business day after mailing, or when the information is placed on Propr. Either Party may at any time change its address for notification purposes by mailing a notice stating the change and setting forth the new address.

7.7 Relationship of the Parties. Business Associate shall perform its obligations under this BA Agreement as an independent contractor. Nothing herein shall be construed to place Business Associate or Covered Entity in a relationship of principal and agent, partners or joint venturers, and neither Business Associate nor Covered Entity shall have the power to obligate or bind the other in any manner whatsoever.

7.8 Attorney's Fees. If any legal action or other proceeding is brought for the enforcement of this BA Agreement, or because of an alleged dispute, breach, default, misinterpretation, or injunctive action, in connection with any of the provisions of this BA Agreement, each party shall bear their own legal expenses and the other cost incurred in that action or proceeding.

7.9 Entire Agreement. This BA Agreement consists of this document, and constitutes the entire agreement between the Parties with respect to the subject matter of this BA Agreement. No change, waiver or discharge or obligations arising under this BA Agreement shall be valid unless in writing and executed by the Party against whom such change, waiver or discharge is sought to be enforced.

7.10 Indemnification. Business Associate shall indemnify and hold harmless Covered Entity and its subsidiaries and affiliates, and their respective officers, directors, contractors, agents and employees, from and against any and all claims, suits, actions, proceedings, fines, penalties, losses, damages, liabilities, costs and expenses (including without limitation all reasonable attorneys' fees and court costs) that arise from, out of, or are caused by the acts or omissions of Business Associate or its officers, directors, shareholders, agents, contractors or employees.

7.11 Compliance with Law. Business Associate shall at all times comply with all applicable law, including any applicable statutes, ordinances, regulation or administrative or judicial orders, and shall at all times maintains all such authorizations, licenses and registration as are required for Business Associate to conduct its business in accordance with all applicable law.

7.12 Costs. Business Associate's compliance with this BA Agreement, including providing access to PHI; accounting for disclosures of PHI, correction or amendment of PHI; cooperation with such investigations or other implementation of such mitigating measures deemed appropriate by Covered Entity in its reasonable discretion, the return or destruction of PHI; and cooperation with any examination or audit of the use, disclosure or maintenance of PHI by Business Associate, shall be at Business Associate's sole expense, and Business Associate shall not seek reimbursement from Covered Entity for any such expenses.

LICENSING AND APPOINTMENT

You cannot solicit or influence business on behalf of Colonial Life before you are properly licensed and appointed according to various state insurance statutes and regulations. Violating these statutes could result in fines or loss of the right to do business in that state for the company and you.

We do not process business from you or pay commissions and advances unless you are properly licensed and appointed.

We also reserve the right to permanently withhold sales premium credit, advances or other commissions on any business solicited by you prior to the effective date of the license/appointment documentation as established by the individual state statutes.

Unless required by law, all costs, charges, fees or expenses associated with obtaining and/or maintaining a license and appointment in a given state are your responsibility.

Resident Licensing and Appointment

You and your sales manager are responsible for completing all resident pre-licensing requirements for an individual or agency. This process includes any pre-licensing education or certification requirements and any fees or expenses for an initial resident license that may be required by the resident state department of insurance.

Your resident license is issued by the department of insurance and will be verified during the initial contracting process.

When the contracting process is complete, Sales Contract Administration requests your appointment as an authorized Colonial Life representative with your resident state insurance department, as well as any state(s) in which you are licensed and have indicated you will be conducting business.

Nonresident Licensing and Appointment

You must have a nonresident license and appointment before soliciting and, in most cases, before receiving commissions on business written in a state other than your resident state for individual voluntary products. License requirements for group products will follow SITUS state guidelines. Sales managers do not need to obtain a nonresident license to receive override commissions, unless he or she personally transacts business in the nonresident state.

Nonresident licenses are issued by the state's insurance department, and it is your responsibility to provide this information to Sales Contract Administration so we can maintain your non-resident appointment.

License Renewal

Producer licenses are generally renewed on an annual or biennial basis. You are responsible for completing all necessary requirements to renew your resident or nonresident license, including continuing education or certification requirements, and any fees or expenses for the renewal required by the specific state department of insurance.

You must send a copy of your renewed license to Sales Contract Administration so we can track your current expiration date and correctly process your sales.

Appointment Renewals

Appointments expire at various times, depending on your state. Sales Contract Administration processes appointment renewals as required. Fees are charged to and deducted from the individual's commissions, unless otherwise stipulated by contract type or state regulation.

License/Appointment Termination

When your Colonial Life agreement is terminated, Sales Contract Administration notifies the state insurance department to cancel the appointment to represent Colonial Life in that state.

If the state department of insurance notifies us you no longer hold an active license, we will terminate your appointment in that state. Your contract will automatically terminate when you cease to hold a valid license to transact business.

LOBBYING REGULATION

All state and many local jurisdictions, as well as the federal government, regulate lobbying.

Lobbying laws can be triggered, depending on the jurisdiction, by communication with public officials or employees:

- Concerning the passage or defeat of matters before a legislative body.
- Concerning gubernatorial action.
- In executive or administrative agencies concerning the exercise of their official duties. (This could include soliciting or conducting business with the state or a public sector account.)
- To gain the good will of the agency official or employee.

Never assume an activity is not lobbying just because it does not meet the traditional view of lobbying. It is best to seek advice when meeting with any government official for business purposes. Determining whether interaction with a governmental body is a regulated activity is a legal question requiring an analysis of the proposed activity and a review of the legal requirements in a particular jurisdiction.

MARKET CONDUCT

Colonial Life was founded on solid principles and has maintained a tradition of high values and ethical business practices throughout our history. We expect that:

- You present products and services accurately, professionally and honestly.
- Presentations are comprehensive and clear.
- You use only home office generated advertising and sales materials, including websites available to you. You cannot publish, distribute or use any sales or advertising materials concerning Colonial Life or its products without first obtaining home office review and written authorization.
- In an effort to meet the needs and interests of our customers, you cannot bend "rules" for expediency or convenience, even if it seems to be helpful to a customer at the time.

- If you learn of a violation of insurance laws or Colonial Life agreements, fraudulent activity, misrepresentation, failure to follow company policies and guidelines, or any other conduct that could be potentially harmful or disruptive to the Company's business or our corporate affiliates, bring it to the immediate attention of your sales manager or Sales Contract Compliance.

Misconduct includes, but is not limited to:

- Writing or submitting bogus business (i.e. fictitious accounts or applications)
- Embezzling company funds or premium
- Signing someone else's name to a document, including clicking "I Agree" to apply an electronic signature for someone else during a Harmony® enrollment. This is forgery even if the applicant or insured gives you permission to do it.
- Backdating applications to cover claims.
- Altering applications or claims forms.
- Engaging in potentially harmful and disruptive conduct.
- Submitting applications taken on an approval basis when approval has not been received. This means that you should only submit an application after the applicant has signed it or clicked "I Agree" indicating that they want to apply for coverage.
- Making oral or written statements, including but not limited to, advertisements in any media that communicates false or misleading information.
- Failing to follow company policies and guidelines
- Violating Prohibited Acts and Covenant Not to Compete

We thoroughly investigate allegations of misconduct, including:

- Assessing the nature of the allegation, the facts that support it and the violated company policy or contract.
- Notifying the affected individual in writing and requesting a written response.
- Notifying the individual's sales managers and possibly asking them to provide information.
- Reviewing the written response from the individual and information from the managers.
- Possibly refusing the individual's business during the investigation.

If misconduct is confirmed, we may take any of the following actions:

- Terminate the Colonial Life agreement.
- Invoke a forfeiture of commissions.
- Issue a warning or reprimand.
- Require additional training.
- Notify the state department of insurance as required by law.
- Any other action allowed by our agreement with you.

Additional information may be found in the Market Conduct, Ethics, Privacy and Security Training Manual, (form 48606 on Propr). During the contracting process, you are required to study this manual and pass testing on the contents. In addition, Colonial Life requires periodic training and testing on the Manual.

PERSONAL LOANS

We discourage you from loaning money to another representative or manager. We do not allow our compensation system to be used as a vehicle for loan collection.

PREMIER CLIENT PROSPECT NOTIFICATION PROCESS

Premier Client Services is a dedicated Home Office team that assists Colonial Life sales reps with the acquisition, implementation, and management for accounts with greater than 1,000 employees. The team includes Client Consultants which support the acquisition phase, Client Managers which support the implementation and account management phase, and Regional Enrollment Managers which supports the use of the National Enrollment Team. The first step should be to contact the Client Consultant that is assigned to your Territory. After the sale is complete the Client Consultant will engage the appropriate Client Manager to support the implementation of the Premier Client. The Client Manager will involve the Regional Enrollment Managers if there is needed support by Colonial Life's National Enrollment Team.

If multiple Colonial Life sales reps have contacted the Premier Client Services area regarding the same Premier Client prospect, the Client Consultants will work with sales management to determine the appropriate representative or best approach for collaborating.

The prospect should be an acceptable account according to Colonial Life's industry underwriting guidelines. If there is any concern about the prospect qualifying for Colonial Life's products and services, contact your Premier Client Consultant for assistance in assessing the prospect.

PRIVACY AND SECURITY COMPLIANCE

Colonial Life is committed to protecting its customers' privacy and you have a role in protecting customer privacy. You are required to abide by the strict procedures in place to ensure personal, nonpublic financial and health information ("Personally Identifiable Information" or "PII") about our customers remains confidential at all times. You are expected to abide by these policies and guidelines regardless of using Colonial Life issued hardware or your own personal devices in transacting business on behalf of Colonial Life.

Failure to protect the privacy of PII could lead to termination of your independent contractor agreement or to other consequences.

What is Personally Identifiable Information?

- Name
- Address
- Social Security Number or Individual Tax ID
- Date of Birth
- Health Information
- Driver's License or ID Card Number

- Application Information
- Financial, Banking or Credit Card Information
- Claim Information or Number(s)
- Individual Policy Number
- Biometric Data
- Any information from an individual's file or record

It is imperative that you:

Comply with federal and state laws, including but not limited to, the HIPAA Privacy Rule and the Gramm-Leach-Bliley (Financial Services Modernization Act of 1999).

Remain diligent when working with employees 1-to-1 to demonstrate your commitment to protecting their private information.

Protecting PII:

- Only use PII when absolutely necessary and only for the business purpose for which you have received it.
- Keep PII and customer information secure when it is in your possession or when you transmit it. Customer information should not be kept outside of Colonial Life's Harmony® software program or Harmony on the Go.
- PII should only be stored on a Colonial Life managed (encrypted) laptop. Information can only be saved to a removable media device (ex: CD's, diskettes, flash memory cards, or USB drives) if the data is secured. Avoid use of cloud storage solutions (i.e. dropbox).
- Delete information off of your hard drive after transporting or securely emailing information.
- Never use real customer PII data for training or in templates.
- Refrain from using/creating fake SSNs – use all 9's or X's.
- Do not share PII with anyone without authorization.
- Do not discuss PII with unauthorized parties or in public.
- Position laptop or other device screen in public so no data is visible by others.
- Take precautionary measures to protect all non-electronic forms of sensitive data (fax, paper reports, field bills, etc).
- Securely dispose of customer information by shredding paper files or deleting emails when you no longer need it or it is not required to be retained.
- Pick up all printed material from your printer and/or fax machine.
- Store all paper documents with PII in a locked drawer or cabinet at the end of the day.

Send all emails containing customer PII to plan administrators, others in sales organization, and home office SECURED:

- Use Colonial Life's Secure File Transfer (SFT) tool or the Colonial Life secure email system to share sensitive files with other producers, plan administrators and home office employees.

The Secure File Transfer tool is the best way to share sensitive files with your business colleagues.

Using your coloniallife.com email address:

- Secure all emails with PII when sending/responding to external email addresses. Choose one of the options below:
 - Type “Secured:”(*followed by space*) in the Subject Line of your email. This option also available for use on mobile phones.
 - Type “Encryptme” (one word) in the Subject Line of your email.
 - Use the “Encrypt button (Click once) on your Outlook email account.
- Do not hide columns in Excel that contain SSNs – remove/delete them if not needed
- Do not create an auto forward rule to automatically send emails from your coloniallife.com email address to a person/business non-coloniallife.com email address.
- Never click on a link or open an attachment that looks suspicious or is from unverified source.
- Report suspicious emails to:
dlnetworksecurity@unum.com & spamsample@messagelabls.com

Laptop and Devices

- Create complex passwords.
- Never write down your password or share your password(s) with anyone.
- Always keep your laptop and other enrollment devices secure. Lock your computer and log off when not in use. Store your laptop in a locked cabinet or a drawer and use a security cable or locking device when available.
- Never allow anyone to remote into your company issued laptop or device.

Travel

Never leave sensitive customer information unattended or in an unlocked location. You are fully responsible for the security of customer information in your possession, regardless of the form in which it is kept (e.g. laptop, paper, etc).

When traveling by car:

- Lock laptop or other devices in the trunk where it is out of view.
- Never leave device in vehicle overnight.

When traveling by air:

- Keep your laptop or other enrollment devices with you at all times.
- Be alert in the terminal where the risk of theft is greater and never leave your laptop unattended.
- Never check laptop or enrollment devices as baggage.

- Do not travel with hardcopy containing PII.□

1 to 1 benefits counseling sessions: Protecting sensitive, employee information should be one of your top priorities during a 1-to-1 benefits counseling sessions:

- NEVER log-in for a customer or use a customer's password to enter information for them or click the "I Agree" button.
- Don't suggest passwords for employees to use.
- You should maneuver your keyboard so that the employee can key in all passwords and security prompts, such as "I Agree."
- If you're co-browsing for an enrollment, turn over the access to the browser for the employee to key in passwords and answer all security prompts.
- You must follow proper protocol if you are enrolling employees via a call center to protect PII. You should only do a phone enrollment if the home office has granted you permission to do so.
- Flexible Payment Solution: When utilizing the Flexible Payment Solution during a Harmony or a Harmony Connection enrollment: Never enter a customers' personal bank, credit or financial information for them into any system. The customer must enter the information themselves. Only use the customers' personal bank, credit, or financial information for the business purpose intended for which you have received it.
- Never store or retain a customer's bank, credit, or financial information on a non-company issued machine or device.
- Securely dispose of customer information once the enrollment is completed. Do not retain PII in your files.

Report Privacy or Information Management Incidents

All suspected or actual privacy or information security incidents should be immediately reported. Call the Enrollment Solutions Help Desk at (800)438-6423 to report the incident. Be prepared to describe the details of the situation including an overview of the hardware or data that is missing. During non-business hours, you will be directed to the appropriate contact to handle your situation. After hours call 877-482-2948. (8-PRIVACY-4U)

PRODUCT FILINGS AND POLICY FORMS

The Compliance Department is responsible for filing all policy forms and related materials with state insurance departments. Questions about the status of a product that has been submitted for approval should be directed to the Compliance Department rather than a state insurance department.

RECEIVING SALES PREMIUM, SALES CREDIT OR PERFORMANCE CREDIT

Colonial Life's compensation plan for its sales organization is designed to promote and reward the growth of sales premium by providing fair and equitable compensation to its producers.

One producer cannot transfer sales premium, sales credit, performance credit, or incentives credits to another producer. To receive sales premium or performance credit you must be the one who generates, produces, and earns it. This requirement does not eliminate splitting of business; however, the split should be the result of either your direct involvement in the enrollment or your influence in the opening of the account. As stated in your agreement, Colonial Life reserves the right to decide and settle commission disputes between individuals, and to reduce one producer's commissions in order to pay another person who is entitled to compensation.

As determined by the Company in its sole discretion, any misuse or manipulation of any compensation program, including but not limited to, the advance program, bonuses, performance credits, premium credits, sales credits, sales premium, and incentives and awards programs could lead to the reversal of sales credits and/or sales premium, case count credit, performance credit, and chargeback of commissions and bonuses. An award may be revoked and you could be disqualified from participation in incentives and awards programs.

RE-CONTRACTING OF FORMERLY CONTRACTED REPRESENTATIVES

Whenever a formerly contracted individual requests to be re-contracted, contact Sales Contract Administration immediately. Do not make commitments to the former rep until you receive final approval from sales managers and the home office.

We review the individual's past contract and sales history with Colonial Life. If the re-contracting is approved, we assign a new code number. Renewals generated under any previous code numbers and agreements are not reinstated. The individual is expected to pay off any prior account balances or any other indebtedness to Colonial Life.

If we decide to re-contract an individual, new rep status may be given to any individual whose last production date with Colonial Life was at least 18 months prior to the date the individual is re-contracted. New representative credit, for reporting purposes, is based on Colonial Life's current definition of a new representative.

You and the individual are contacted if we do not approve the request.

RECRUITING TERRITORY

A sales manager is only authorized to represent Colonial Life in his or her assigned geographic area and assigned to the sales manager in the state or states in which the sales manager is licensed.

Colonial Life alone determines whether an individual recruited and recommended by a sales manager is contracted and appointed. We reserve the right to control the coding of persons we contract. Unless there are compelling circumstances, agreements submitted on individuals from outside a sales manager's assigned area either are not accepted or, if accepted, are coded to the proper sales manager's territory or district.

RECRUITING AD COMPLIANCE REVIEW PROCESS

For independent contractor agents and managers

1. All ads to recruit independent contractor agents and managers to Colonial Life & Accident Insurance Company or The Paul Revere Life Insurance Company must use the approved ads on Propr.
2. If you would like to post anything outside of the exact approved wording, you must submit the revisions for review to nationalrecruiting@coloniallife.com.
3. Newly submitted ads will go through two review processes:
 - a. National Recruiting Specialist or Recruiting Director Review for glaring errors (grammar, language we know to avoid, etc.)
 - b. National Recruiting will submit revised version to Employment Law Review through email at CLAdReview@coloniallife.com.
4. Any publicly posted ads that have not been through this review process will be subject to further investigation and the individual who posted it will be held accountable.
5. Failure to comply with this policy is a violation of the terms and conditions of your contractual relationship with Colonial Life & Accident Insurance Company or The Paul Revere Life Insurance Company and could jeopardize that relationship.

REGIONAL ENROLLMENT TEAM

An enrollment may occasionally require support from sales reps in other territories or states. To assure consistency in these situations, we have certified regional enrollment teams that support national enrollments of accounts with 1,000 or more benefit eligible employees, located in multiple states.

The team is managed by Regional Enrollment Managers (REMs) who are responsible for managing enrollments and maintaining a team of certified enrollers within their assigned territories. The REMs assist our sales organization in recruiting reps and enrollers to support these opportunities.

Compensation

Override commissions are paid to sales managers according to their override rates, based on sales hierarchy and sales function. Broker compensation does not change when the REM team is used.

Regional Enrollment Coordinator Commission Split

When the REM team is used to support the enrollment of a national account, a portion of the coordinator commissions may be coded to the Home Office to support enrollment expenses. Sales managers receive commission overrides only on the portion of the coordinator premium that is coded to sales representatives assigned to them.

REINSTATEMENT OF RENEWALS

Premiums generated under one agreement are not transferred to a subsequent agreement. A former representative who is re-contracted is not entitled to any right to renewal commissions not granted under the original agreement. If no renewals or vested renewals were due under the original agreement, qualification under the new agreement does not entitle the individual to renewals on premium generated while under the old agreement.

Failure to qualify under the new agreement does not affect any vested renewals to which the individual was entitled under the old agreement. Each agreement and the renewal commission generated under these agreements stands on its own.

RENEWALS AND VESTING

The Company administers renewal commissions and vested renewal commissions according to the provisions of an individual's sales representative or sales manager agreement. Sales Compensation administers the renewal and vesting provisions of the agreements. An individual must meet published yearly renewal qualifications to have the right to earn renewal commissions after the first 12 months of production.

Enroller vested renewal commissions: For channels-type contracts (sales representative and sales management contracts): A sales representative or sales manager must achieve at least 75,000 in enroller net sales credits (from personal production) each sales year for a total of ten (10) years to be entitled to enroller vested renewal commissions. Upon achievement of the ten years of credits, the representative or sales managers shall be entitled to receive lifetime vesting (or twenty years certain) on enroller vested renewal commissions.

If a sales representative or sales manager's agreement is terminated and he or she becomes re-contracted in another capacity, the sales representative or sales manager may be entitled to receive renewal override commissions or vesting credit as follows:

Changing from a sales manager to another sales manager or a sales representative agreement or from a sales representative to a sales manager agreement:

- The former sales agreement is not placed into vesting when the new agreement becomes effective. The former agreement remains qualified for renewals as long as the individual meets published guidelines and qualifications for renewals under the new agreement.

- For channels-type contracts (sales representative and sales management contracts; does not include broker or agency type contracts), vested years can carry over from contract to contract, including for promotions and switches. This allows all representative and manager contracts to carry the same number of years. That number equals the total number of years the rep has qualified his or her respective contracts. Vested years used are deducted from all contracts.

Changing from a sales manager or sales representative agreement to an agency agreement:

- This request requires prior approval by the Vice President of Sales and home office.

- The former agreement held by the manager or representative is placed into vesting when the new agreement becomes effective.

REQUEST FOR EXCEPTION TO POLICY

Any requests for exception to the established policies and guidelines must be submitted in writing to your sales manager, who forwards it through the proper channels for consideration.

SALES CREDITS

Colonial Life uses the sales credit concept in all rep-level performance reporting, as well as in renewal, vesting, and incentives and awards qualifications. Sales credits are not used to determine commissions. They were developed to allow reps to receive credit for the functions they perform related to a sale - opening, enrolling, and coordinating.

Sales credits are sales premium multiplied by the percentage factor for the functions provided in the following table:

Function	Percentage
Open	55%
Enroll	35%
Coordinate	10%

SALES PERFORMANCE

The territory manager's sales performance is the sum of the opener premium of all DGA's/PSM's in the territory manager's hierarchy. Opener premium is defined as the sales premium written in an account and credited to the person(s) designated as the opener/maintainer on the commission account or individual sales summaries at the time the business is written.

The DGA/PSM/PSAM/ADM's sales performance is based on the sum of opener premium (designated as "opener" in the opener role on the commission account) or individual sales summaries written by representatives coded in the hierarchy of the DGA/PSM/PSAM/ADM on the date the business was written. Any premium written after a representative is transferred to a different hierarchy follows the new hierarchy.

SERVICE OF LEGAL PAPERS

Contact the Legal department immediately if you are served with any type of legal papers, such as lawsuits, garnishments, levies, subpoenas, etc. Failure to act in a timely manner can lead to penalties against you and the Company.

SIGNING APPLICATIONS AS THE SOLICITING REPRESENTATIVE

If you solicit the application, you must also be the person who signs the Producer's Statement on the application, which must be done in front of the insured at the point of sale.

You must be properly licensed and appointed in the state where you conduct business. The signature on the Producer's Statement certifies that you have accurately recorded the information and explained all exceptions and limitations of the coverage. In addition, because a copy of the application accompanies the policy when it is sent to the insured, the insured has your name if questions arise.

Do not wait until the end of an enrollment or the end of the week to sign all applications at one time. Do not pool applications among several individuals to achieve a certain amount of sales premium. Use the Sales Summary to indicate commission splits.

SIGNING APPLICATIONS \ DOCUMENTS ON BEHALF OF OTHERS

Your Colonial Life contract and our Company's policy prohibits you from physically or electronically signing an application or other document for an insured \ applicant, even if the insured\ applicant gives you permission. Never sign the name of an applicant, customer, other representative or any other person to any document.

Conducting enrollments in the Harmony® enrollment system:

When an applicant electronically signs via a click signature, a binding contract is created between the company and the customer. Even if you encounter applicants who are uncomfortable using a keyboard or laptop, even if applicants ask or give you permission, and even if you are short on time, you can never, under any circumstances:

- Set up their password or ID
- Enter their password
- Click the I Agree signature
- Enroll an applicant who isn't physically present (unless it's done through co-browsing or a properly handled call center enrollment.
- Use any type of paper enrollment form/application and then transfer information into Harmony®
- Take an application over the phone or by email or other means and then transfer information into Harmony®

When an applicant is enrolled using a paper application, you must:

- Have the proposed insured physically sign the application in your presence
- Don't send the application home or let family members sign for proposed insureds
- Don't allow an employee to sign for a spouse as if the spouse signed the application himself or herself
- Don't sign another sales rep's name to an application or other paperwork,

Taking any of the above actions on behalf on an applicant constitutes a signature for a proposed insured which is a form of forgery. In a sales representative-assisted electronic enrollment, when you must obtain a signature, you are legally required to pass control of the mouse and keyboard to the applicant.

Colonial Life does not tolerate forgery in any form. If we determine that you have signed an application on the behalf of the insured, any advance or premium associated with that application is charged back to you. In addition, the Company reserves the right to take additional actions, up to and including, the termination of your sales agreement with the Company.

SOCIAL MEDIA

Social media tools provide valuable opportunities for Colonial Life and the contracted members of our sales organization when used in an ethical and accurate manner. They also create new responsibilities for protecting the company's brand and reputation. This policy is applicable to all contracted members of Colonial Life's sales organization.

Overview

Social media is a term that includes a set of online tools such as Facebook, Twitter, LinkedIn, GovLoop, YouTube, podcasts, blogs or any other form of user-generated content that allow the posting or sharing of information in an electronic format. Social media allow individuals and businesses to connect with each other, share knowledge, generate creative solutions to problems, build relationships and facilitate new ways of thinking. The decision to participate in social media is yours. This policy has been developed to help you understand acceptable and unacceptable use of social media so we protect the company, you and our customers.

Because information posted to social media is in the public domain, anyone can gain access to what you write, including company employees, customers, business partners and competitors. Information that you believe is restricted or private may be available on a far broader basis than you intend; it may even be considered public information. The company expects you to appreciate the broad impact of posting material and to be respectful to our employees, sales organization members, customers, business partners and our competitors.

You are responsible for ensuring that your use of social media is consistent with the company's mission, vision and core values statement, as well as appropriate business conduct. If you have questions about whether or not something could jeopardize the company's reputation, please contact your sales manager or the Sales Contract Compliance department in the home office of the company.

Be aware of contract restrictions. Your contract with the company expressly outlines the functions you are authorized to conduct on behalf of the company. You must perform such functions according to the terms of your contract and policies and guidelines prescribed by the company. You are not authorized to speak on behalf of the company in any other regard. All contractual obligations and sales organization policies apply in the use of social media.

Follow advertising guidelines. Federal Trade Commission guidelines require disclosure of an individual's connection to a company when discussing the company's products or services in a social media platform. That means individuals who wish to make positive or supportive comments about the company's products or services must identify themselves as being affiliated with the company.

Discussion of company products or services may also be subject to state advertising regulations. According to such regulations, any references to the company or its products or services must:

- Be truthful and not deceptive or misleading in fact or implication (provide full disclosure);
- Not disparage competitors, their policies, services or business methods;
- Identify the source of any statistics used; and
- State the full name of the company.

To ensure compliance with these regulations, you are only permitted to use materials that have been created or approved by the company for such discussion.

Take the high road. Engage in communications that respect your audience. You may not use statements that violate the company's mission, vision and core values statement, slurs or insults, profanity, maliciously defamatory content or obscenity. In sum, do not engage in any conduct online that would not be acceptable in a work environment. Do not post private content about others for any reason. Do not use social media to air your differences in an inappropriate manner or to engage in inflammatory debates. Disagreeing with another person's opinions or actions is a legitimate form of expression, but you must express your disagreement in a way that is respectful and non-personal.

Abide by the law and respect copyright and trademark laws. For the company's protection, as well as your own, everyone must abide by state and federal copyright and trademark laws. Always make sure you have permission to use or reproduce any trademarks, logos, text, photos, graphics, video or other material owned by others. As in the non-electronic world, you cannot use the name of Colonial Life, its logos, trademarks or any copyrighted material for any purpose other than authorized business.

Observe special rules for social networking sites and blogs. If you choose to identify yourself as being contracted with the company or to discuss any matter relating to the company in a social networking site or blog, please remember that, although you may view your posts as personal expression, others may see you as a spokesperson for the company simply because you are contracted with the company. When speaking about matters related to the company and doing so as an individual and not as requested on behalf of the company, you are required to use the following disclaimer:

"This is a personal comment, reflecting my personal opinions and thoughts. It does not represent the views or policies of Colonial Life."

The company authorizes only certain individuals to speak on its behalf, and, by using this disclaimer, you are making it clear that you are not one of those individuals.

You may not link from a personal blog or social networking site to the company's internal or external websites. If you maintain a business blog or social networking site to carry out the functions authorized by your contract, you may link to the company's external website. However, the company reserves the right to withdraw your permission to link to its external website by notifying you of the withdrawal. Permission is automatically withdrawn by termination of your agreement with the company.

Do not use the company's IT resources and communications systems for any matter that you desire to be kept private or confidential from the company. All contents of the company's IT and communications systems belong to the company and are subject to review by the company. You should not have an expectation of privacy when you use these assets. You should not use your company-assigned e-mail address when establishing personal, nonbusiness-related accounts on Internet or social media sites.

Protect confidential information. Social media may blur traditional lines between internal and external communications. Because of this, it is vital that you not disclose information about our customers, employees or members of our contracted sales organization. This includes, but is not limited to, names, medical or financial records, Social Security numbers, addresses or other identifying information. Do not post pictures of employees or the interior of the company's facilities without express authorization.

You must also protect the company's intellectual property, as well as confidential and proprietary information. Protect the company's valuable trade secrets and other confidential information and intellectual property with great care, and do not do anything to jeopardize them through your use of social media.

Follow rules relating to public companies. As a publicly traded company, Unum Group, Colonial Life's parent company, must adhere to SEC regulations regarding the public disclosure of material information. Once again, this means you must not use social media in a manner that would in any way violated these disclosure restrictions. If you have any doubt about whether information that you have is appropriate to share, ask your sales manager for assistance.

If contacted by the news media about any post that relates to company business, do not respond. You must refer the inquirer to Colonial Life's Media Relations department for a response.

Be alert and aware. What you publish on social media could be copied or misused by anyone with access to social media inside or outside of the company. Information you post may also be viewed by company colleagues, managers, customers, competitors and vendors. You should have no expectation of privacy while using the Internet. You should always assume that if you can see a posting on the internet, anyone else can as well at any time, now or in the future. There is no private information on the Internet!

Take ownership. Social media also blur the lines between what is public and private, personal and professional. You are responsible for anything you publish using social media tools. Be thoughtful about what you publish and mindful of how you present yourself. A good rule of thumb is to never post anything you would not be proud to discuss openly in any public forum.

Report concerns. Have you seen behavior or content that is not in keeping with these guidelines? Report violations of this policy to your sales manager. You may also contact Sales Contract Compliance to report violations or for any issues not addressed in this document.

Violations of policy. Please be aware that if you violate these guidelines, you may be subject to disciplinary measures up to and including termination of your Colonial Life contract.

SPLITTING COMMISSIONS WITH SALES MANAGERS

Colonial Life has designed our compensation system to compensate managers with override commissions and sales representatives with writing-level (opener, coordinator and enroller) commissions. Managers should only be paid writing-level commissions when they are physically working in an account or providing any of the writing-level sales functions. Mandating manager splits as a matter of course is strictly prohibited.

SUBMISSION OF BUSINESS

We highly recommend that you use Harmony® to enroll and submit business. This helps ensure completeness and accuracy of information, and faster payments of commissions and application processing.

Complete the Sales Summary for New or Existing Accounts

Enrollers should complete the Sales Summary with the routine information, such as billing information, enrolling splits and commission account numbers.

Carefully complete the following sections:

Producer splits - These are important because they indicate how to allocate commissions to sales reps; however, commissions for brokers, openers and coordinators may be assigned at the commission account or sub-account level to protect a commission split. Commission splits assigned at the commission account or sub account level override any entries made on the Sales Summary. Splits for each role must equal exactly 100 percent, including commission splits on the Sales Summary and commissions splits assigned on the commission account or sub account.

Producer numbers - Make sure to use the correct and active producer number. The wrong code number delays processing and payments.

Commission account or sub account numbers - These numbers are necessary to process business and must be included on all Sales Summaries. If the commission account number is not known, the sales manager should be contacted.

Commission Setup Sheets should be approved by the sales manager and submitted to Sales Compensation Services two weeks before the enrollment date. A set-up sheet should be submitted to assign any opener or coordinator roles, for all or a portion of the role. After the sales manager reviews an account, there is no need to submit a new data sheet for subsequent enrollments. Periodically, sales managers should review all account information to make sure it is correct and make changes as necessary.

Establish Commission Accounts and Sub Accounts

Commission accounts are used to allocate compensation and sales credit and to report performance for all reps involved with the sale.

The opener and coordinator can be listed on the Commission Set-Up Sheet only if a specific split of commissions is desired. These splits become hardcodes for the account. If a broker is involved, the broker's compensation split can come from the opener/maintainer role or the broker role according to the commission schedule.

If you have a new location and need a different opener or coordinator, prepare an additional Commission Set-Up Sheet for that location, which is assigned a sub-account number. To ensure proper credit and payment, always use the number assigned to the local location on the Sales Summary. Multiple locations, for which there are no changes for the coordinator or opener, or for which commissions are allocated at the Sales Summary level, are treated as single location accounts, which do not require sub-account numbers.

The commission account and sub-account numbers appear on compensation reports. These should be kept readily available for future enrollments.

Once a commission account is established, a Commission Set-Up Sheet is not needed for each enrollment. Only submit a revised Commission Set-Up Sheet when there is a change to the hardcode on an existing account. Consult with your sales manager to complete a new Commission Set-Up Sheet and send the approved version to Sales Compensation Services two weeks before the enrollment start date.

Changes to “Opener” Section of the Commission Set-up Sheet

The person who opened and/or maintains conditions to enroll an account is the person to whom the opener commissions are normally paid, subject to the Colonial Life agreement. Colonial Life always retains the right to reassign accounts to another person at any time and for any reason. A portion of the opener commissions can be allocated at the sales summary-level for enrolling producers. Changes to the opener section of the Commission Set-Up Sheet must be approved by the territory manager/VPS.

TAX REPORTING

Under Agency and Public Sector channels and RSP agreements, advances are considered advances on future earnings and are taxable income when they are paid. The tax year used is January 1 through December 31. Taxable earnings during this period are shown on IRS Form 1099. A separate form 1099 is generated for each individual tax ID number. This information applies to Channel agreements only. Tax reporting for Colonial Life agreements other than channel and RSP agreements may be handled differently.

TERMINATION OF AGREEMENTS

A Colonial Life agreement is between you and Colonial Life and can only be terminated by us for any of the reasons listed in the “Termination” section of your agreement. Sales managers do not have the authority to terminate a Colonial Life contract. They can only make recommendations to the company. A sales manager’s request for termination must be submitted in writing with thorough documentation to Sales Contract Administration. Contract terminations are only carried out by the home office.

For a sales manager termination, the appropriate sales manager must submit a written recommendation along with thorough documentation to Sales Contract Compliance.

If the termination request is because of non-performance or unsatisfactory performance, the steps to manage through these issues are as follows:

- Contact Sales Contract Compliance to discuss the performance concerns and obtain direction and guidance. Initial discussions should include having the territory manager / VPS provide Sales Contract Compliance with any performance-related information and a copy of the individual’s file. We recommend that each sales manager keep a performance file, with any performance evaluations and documented communications, on all direct reports, especially if they are having performance concerns with the individual. Quarterly performance evaluations should be submitted to Sales Contract Compliance after the evaluation.
- Sales Contract Compliance reviews the individual’s past and present performance and how performance matters have been previously addressed and documented by sales management. Sales Contract Compliance determines if a performance notice or warning is applicable, or if a notice should be given to the sales manager that satisfactory improvement is needed by a specified time frame in order to maintain the contract. As a general rule, that time frame is usually

measured by quarters. The company monitors and tracks/reports performance goals both quarterly and annually. Therefore, the majority of the performance terminations should coincide accordingly.

- If there is not satisfactory improvement, then we proceed with the necessary steps to terminate the contract.
- For a non-performance situation with sufficient data to support the termination recommendation, the termination can be immediate.
- Every situation is reviewed with Legal before a final termination decision is made.
- When the decision is made to terminate a sales manager's contract, the individual will be notified in writing from the AVP of Sales Contract Compliance. The sales manager's hierarchy will be copied on the letter.
- Upon the effective date of the termination, all representatives coded to the terminated manager need to be re-coded to an active manager. These changes can be made through Sales Contract Administration.

We strongly encourage territory managers and VPSs to use the company's vesting policy to encourage non-performers to voluntarily sign another contract, which automatically cancels, terminates or super-cedes the prior contract. As long as you remain contracted with us under a sales rep or manager agreement, you can prevent the start of your vesting. In addition, channels contracts all carry the same number of vesting years, determined by total qualified years and not just the years under a particular management contract.

THIRD PARTY ADMINISTRATOR OR PREMIUM COLLECTION

Our standard is to have a written, signed administrative agreement with any Third-Party Administrator who is involved with providing administrative services to our accounts. Any individual or entity contracted with us as a TPA must be properly licensed and bonded as required by state law prior to accepting or remitting premiums. If you come into possession of premiums owed to Colonial Life, send them immediately to us. Immediately follow up with the account and advise them that all premium payments are to be remitted directly to the home office.

TRAINING ON PRODUCTS

Many of our products require you to complete training and a product mastery test before selling. Field Supply only ships marketing materials to you if you have satisfied necessary training requirements according to our records. You must not provide marketing materials for any such product to anyone who has failed to satisfy the training requirement.

TRANSFERS (ALL PRODUCT LINES)

Transfers or replacements occur when an existing Colonial Life policy is replaced with another Colonial Life policy of similar coverage type. It is imperative that the producer put the policyholder's best interest first when transferring or replacing coverage.

If a producer transfers any policy, that producer will be compensated in accordance with the following transfer guidelines:

- First-year commissions will not be paid on the full sales premium of the new policy.
- Commissions will be paid to the writing agent and sales manager only on the portion of premium that is in excess of the premium on the replaced policy.
- Sales premium credit will only be given on any increase in premium amount.

TRANSFER OF REPRESENTATIVES

We reserve the right to control the coding of contracted individuals to sales managers.

Transfers are not encouraged and managers should not solicit them. But there may be situations when a hierarchy change would be beneficial, such as when a geography, market or personality conflict arises.

Transferring Among Districts

Communication among everyone involved is important when requesting to transfer an individual from one manager to another. District managers who are approached by a sales rep about transferring to that manager's area should immediately contact the original manager for discussion.

Written transfer requests must be submitted to the territory manager, who should then send it to Sales Contract Administration two weeks before the effective date of the transfer. The effective date of all transfers falls on Monday to ensure that sales are credited to the correct area and overrides are paid to the correct manager. Retroactive transfers are not made.

Transferring Among Territories

Written approval by the VPS is required to transfer an individual from one channel to another or from one territory to another. A copy of this VPS approval should be forwarded to Sales Contract Administration two weeks before the effective date of the transfer.

Reassigning Accounts

Necessary account reassignments are on a case-by-case basis, but the generally accepted practice is that accounts are re-assigned for local service.

Transferring Brokers

We consider transfer requests from an agency/broker if it is on that agency/broker's letterhead. Every effort should be made to keep existing accounts coded to the existing representative, unless the agency/broker makes a special request. If an existing representative is removed from an account, some portion of the opener commission may be coded to the representative for a period of time, however this is not mandatory (See policy for Colonial Life Rep Changes in an Existing Account). Dual coding may be an option in some instances but is not standard procedure.

At no time should a manager or representative seek to transfer an incumbent representative out of a broker relationship except for reasons noted in these guidelines (inactivity, broker demand, etc.).

UNDERWRITING GUIDELINES AND REQUIREMENTS

The Underwriting Department has established guidelines and requirements to ensure proper underwriting of Colonial Life insurance policies. These guidelines may vary from state to state, depending on individual state regulations and the product. You should be familiar with our underwriting guidelines for the products in your state and follow them closely.

The Underwriting Department makes every effort to ensure that applications are processed promptly. If the department requests additional information in order to be able to process an application, you are expected to respond with the information within two weeks. All applications not completed within 60 days from the date of receipt are closed as incomplete. This could result in a chargeback to your commissions and the application is counted as a never-effect. You are encouraged to use electronic applications for all business, since electronic business is underwritten more quickly and a large percentage of that business is issued automatically.

WEBSITES

"Advertising" includes anything printed or digital, such as posters, fliers, emails, ads and websites. Colonial Life's Marketing Department does not support representative's business websites.

The decision to create or use a website to promote your business as a representative of Colonial Life is up to you. You must be aware of and abide by any contract restrictions, adhere to your state's and Colonial Life's advertising, branding, marketing guidelines, and follow copyright and trademark laws. You must also regularly review the website to ensure it remains compliant in all of these areas.

You must link back to the Colonial Life website for any forms or marketing materials. You cannot store product information, rate forms, service information or other marketing or product content on your website because it can quickly become outdated or non-compliant.

GLOSSARY

Account – The term “account” in our agreements means any account in which the premiums for our products are employer-paid or are paid by payroll deduction; or any account in which a group of persons is insured under a master policy which is issued to the employer to cover its employees or to an association to cover its members; or an account in which the employer or association provides solicitation privileges, but the employees or members pay Colonial Life directly or otherwise.

Adjustment – Adjusting of commissions for corrections, reinstatement (which would be a positive chargeback) or premium on the policy decreased by Underwriting.

Advance – A portion of first year annualized commission paid to a producer upon the sale of a policy.

As-earned commissions – Commissions paid when all advances on the policy have been repaid or the salesperson is no longer receiving advances on commissions.

Assignment of commissions – An assignment of commissions means you direct payments of your commissions and other compensation to a third party.

Application date – The date the potential insured signs the application.

Bonus – Compensation paid through our bonus program, in addition to commissions, for certain sales activity. There are specific eligibility guidelines for each bonus.

Broker – An independent insurance producer not primarily associated with any one insurance company who identifies and recommends insurance products, programs and services to decision makers.

Business-written date – The date used on the Sales Summary at the point of submission. It should be the date of the first application associated with the Sales Summary. This date is used during business collection to search the commission account system and determine the setup of the account at that time.

Case count – Credit for a new account that goes to the producer who opens an account.

Chargeback – A charge against eligible earnings according to a producer’s agreement. The chargeback is deducted from the producer’s commissions.

Coded to – “Code”, “coded”, “coded to”, “recode”, “recoded”, “recoding”, “coding”, and derivatives shall mean the manner in which accounts, applications, policies, premium and members of the sales organization are assigned in Colonial Life’s records.

Collected premium – Premium the home office receives from a policyholder or account to purchase/maintain a Colonial Life product.

Commission – Money a producer earns when a Colonial Life policy has premium applied. The commission is calculated as a percentage of the policy’s premium.

Commission Account Number (CAN) – Establishes the account in the commission system, assigns the appropriate commission schedule, allows for a hardcode of all or a portion of the opener or coordinator commissions, and provides case count for the opener.

Commission account start date – The date provided on the account information form as the date of the first enrollment and determines the enrollments that still are considered in the first year of the account.

Commission overrides – Commissions paid to sales managers based on the business generated by producers and brokers/agencies coded to them.

Commission rate – Percentage applied to collected premium to calculate a commission.

Commission Set-Up Sheet – Form completed by sales managers to set up a commission account in Colonial Life's system that pays producers for their sales in the account.

Coordinator – A producers who coordinates an enrollment. A coordinator's responsibilities include:

- Acting as a liaison between the account opener, enrollers and plan administrators.
- Establishing a strong working relationship with the account's plan administrator, key managers and other key personnel.
- Completing required pre-enrollment activities.
- Coordinating or organizing the enrollment paperwork from enrollers prior to submission.
- Summarizing the results of the enrollment for other Colonial Life sales team members.

Corporate affiliate – Colonial Life's parent company, or any corporate subsidiary within such parent's holding company system, other than Colonial Life.

Coverage effective date (CED) – The date the policy coverage is effective.

Enroller – A producer who enrolls employees in Colonial Life products. An enroller works face-to-face with Colonial Life's policyholders and potential policyholders. Enrollment responsibilities include:

- Conducting one-on-one employee meetings.
- Identifying individual employee benefits needs.
- Presenting Colonial Life's products, programs and services to employees.
- Obtaining employee's signatures on applications.
- Completing and submitting enrollment paperwork.

First-year commissions – First-year commissions are payable on the premiums credited by Colonial Life on a policy for the first twelve months immediately following the policy effective date. First-year commissions may be either new business commissions or rework commissions. New business commissions are first-year commissions payable on new policies issued during the first twelve calendar months following the effective date of a new payroll deduction or employer-paid account or an individual pay policy. Rework commissions are first-year commissions payable on new policies issued following the first twelve calendar months after the effective date of a new payroll deduction or employer-paid account. The rate to be used in computing first-year commissions is as set forth in the schedule of commissions in effect on the date of the insurance application.

First-year premium – Premium paid during the first 52 weeks of a policy's life.

Gross sales premium – Total sales premium submitted.

Hardcode – Sets the commission assignment and commission splits for any coordinator and/or opener who should be protected throughout the entire enrollment. Hardcodes cannot be overridden at the sales summary level.

Inforce premium – Total monthly premium, both first-year and renewal, for which Colonial Life currently receives payments. This is reported as an annualized number, which means the monthly number is multiplied by 12.

Insurance appointment – An authorization filed by Colonial Life with the state insurance department (except in the states of Alaska, Arizona, Colorado, Illinois, Indiana, Maryland, Missouri, Oregon and Rhode Island) that authorizes a licensed producer to act as a representative

for Colonial Life. A licensed producer does not have authority to represent Colonial Life until the appointment is filed and validated according to state statutes.

Insurance license – Document issued by the state insurance department following filing of appropriate application forms and completion of education requirements and testing that allows producers to solicit applications for insurance. Resident and nonresident licenses are issued based on specific state requirements.

Issue date – The date the policy is issued.

Lapsed policy (lapse) – A policy that terminates after Colonial Life has already collected premium. If a policy lapses after the producer has repaid all advanced commission, no chargeback is made. The producer does not earn any further commissions on that policy. If, however, a policy lapses before the producer has repaid the advance, a chargeback is made for any advance that has not been repaid and this is deducted from compensation the producer is eligible to receive.

Letter of certification – Document issued by the resident state insurance department that confirms a producer is currently licensed in the resident state. Accepted by other states when applying for a nonresident license.

Letter of clearance – Document issued by the resident state insurance department that confirms a producer is no longer licensed or appointed in that state. Allows producer to apply for and receive a resident insurance license in another state.

Never-effect – A policy that is entered into the Colonial Life system but its first monthly premium is never received. Therefore, the policy never takes effect. When a policy never takes effect, the entire advance is charged back by deducting the advance from the producer's compensation.

New account – For compensation purposes, an account in its first 52 weeks with Colonial Life. For performance-reporting purposes, an account that generates \$3,500 in annualized sales premium within the first 12 months of the account's first activity date. (Also known as "case count")

New account sales premium – For compensation purposes, sales premium from policies sold during the 52 weeks after a new account is first opened. For performance-reporting purposes, sales premium from policies written in the same calendar year the account was opened.

New account week ending date – This date is determined as the Saturday date after the commission account start date. For rep-level bonus purposes, premium written in the account during its first 52 weeks is counted as new account premium.

New representative – A newly contracted sales representative who has not produced any business for Colonial Life within the preceding 18 months.

Opener – A sales representative coded as the producer who opens and/or maintains a relationship with an account. Opening activities include:

- Prospecting for new accounts.

- Presenting to the decision maker.

- Getting a decision maker's permission to offer Colonial Life products to employees.

- Establishing good working conditions and maintaining the relationship with the account's decision maker.

Opener commissions – Commissions a producer receives when he/she is coded as the opener on an account.

Persistency – The measure of the retention of business written, i.e., the percentage of business that stays in force for a specified period of time. Generally, Colonial Life calculates persistency as of the 13th month, that is, the percentage of policies still in force after their first thirteen months. Persistency is important because of the requirements of the various incentives and awards and the impact upon the commissions earned by the producer.

Premium effective date (PED) – This date controls compensation by determining the duration of the policy. This date, in conjunction with the paid-to date of the policy, is used to determine if the policy is in first year or renewal status. This date is also used to determine policies to include in persistency and never-effect calculations.

Renewal commissions – Commissions a producer may earn during the term of his/her agreement with Colonial Life on premium received during the second and subsequent years a policy is coded to the producer.

Renewal premium – Collected premium from a policy's 13th month and beyond.

Rework sales premium – Sales premium from new policies sold in the account's 13th month and beyond.

Sales credits (applies to sales reps only) – Performance credit for a sale based on the function a rep performs.

Sales hierarchy – The sales managers that a producer reports to. Each producer is assigned to a sales manager, and that sales manager receives commission overrides on premium that his or her producers generate based on the function the producers perform.

Sales premium – A new policy's monthly premium annualized (monthly premium x 12 months = sales premium).

Schedule of Commissions – Separate form that accompanies and becomes part of each Colonial Life agreement. Details the rate of commissions payable on premiums coded to a producer from various policy contracts sold. The schedule can be changed by Colonial Life at any time, but any change does not affect commissions on applications taken prior to the effective date of the change.

Vested renewal commissions – Renewal commissions a producer may be qualified to receive during the term of his/her agreement if he/she did not meet the annual qualification for renewal commissions, or after the termination of his/her agreement with Colonial Life.

Weekending date – The date used to credit premium and sales credits, which affects bonus reporting. The Colonial Life sales week officially ends on Saturday. The weekending date does not affect compensation but it does affect reporting of performance.

Year-ending date – The official end of the Colonial Life production year. We determine the year-end date each year, and it closely follows the calendar year.