Delaware Life

Delaware Life Insurance Company

Business Guidelines

Contents

Introduction

Delaware Life Insurance Company ("Delaware Life") Business Guidelines ("Guidelines") embodies the values of Delaware Life and its family of companies under Group 1001 Insurance Holdings, LLC, outlines both expected and unacceptable standards of behavior when doing business and provides the regulatory framework for the sale and solicitation of annuity products.

The strength of Delaware Life's reputation is established, not only by the actions of Delaware Life and its employees, but also on the conduct of those with whom we do business. We strive to work with third parties who share our values and uphold the same high ethical standards.

We expect you, as our representative, to share our commitment to comply with the following standards to the extent they are applicable to our business relationship.

These Guidelines are not intended to be construed as inclusive of all laws, rules, regulations, and policies, but rather as a guide to conducting business with Delaware Life.

I. Supervision of Producers

Delaware Life has a supervisory structure appropriate for its distribution model. Delaware Life supervises Producers' selling practices using a variety of tools including, but not limited to monitoring complaints, reviewing replacement activity, and utilizing data to identify sales practice trends. In cases where Delaware Life identifies problematic trends and potential issues related to a Producer, Delaware Life will work with the Selling Firm to implement appropriate disciplinary procedures.

For Selling Firms operating under the safe harbor provision of the National Association of Insurance Commissioners ("NAIC") Suitability in Annuity Transactions Model Regulation, a Producer's recommendations and sales of annuities will be supervised by the Selling Firm on behalf of Delaware Life. In these cases, the Selling Firm will be required to provide Delaware Life with its suitability guidelines for review and complete an annual certification related to their supervision practices. Delaware Life will exercise oversight of the delegated functions to ensure that the functions are being performed appropriately and adequately. An example of how this supervision may occur would be requesting a percentage of reviewed applications.

II. Maintaining Required Licenses and Appointment

Producers must be state insurance licensed and appointed with Delaware Life prior to solicitation. Producers must be appropriately licensed in the state where the solicitation takes place. In cases where the customer and the Producer are in different states, the Producer must be licensed in both.

Delaware Life, in its sole discretion, determines whether to appoint a Producer and reserves the right to refuse a Producer for any reason.

III. Annuity Training Requirements

Prior to soliciting Delaware Life annuity business, Producers must comply with the NAIC model regulation that requires both general and best interest annuity training and insurance company product-specific training.

- **General and Best Interest Annuity Training:** Producers must complete a 4-hour course on the best interest standard and general annuities content before selling annuities. Those who have already complied with the original suitability training under the 2010 version of the Model may substitute a 1-hour course for the 4-hour requirement, if they complete the 1-hour course within the specified time by their state (the NAIC model regulation recommends 6 months).

  The courses must be offered by a state approved course provider. Reciprocity is allowed. Substantially similar course or courses taken in a state shall be deemed to meet the requirements in another state. Any of these rules could potentially vary from state to state since it's ultimately up to the state to decide what rules they wish to adopt. Delaware Life will not appoint a Producer unless and until this training is complete.

- **Product-Specific Training:** Producers must complete Delaware Life product-specific training prior to solicitation. The training covers important information about the risks and rewards of annuity products as well as the products' specific characteristics. When an annuity application is submitted and the Producer has not completed the mandated training, the application will be rejected. A new application will be required for submission after the training is completed.

IV. Suitability and Best Interest Standards of Care

Delaware Life is committed to meeting the needs of customers through suitable annuity sales. Producers must ensure that products are suitable for or in the best interest of customers.

a. Suitability Standard

Prior to recommending a purchase, exchange or replacement of an annuity, the Producer must obtain the customers suitability information including age, annual income, financial objective, financial time horizon, net worth, liquidity needs, risk tolerance, amongst other things. Producers must have reasonable grounds for believing the recommendation is suitable on the basis of the information provided by the customer.

In the case of a replacement, the Producer must also consider whether the customer will incur a surrender charge, be subject to a new surrender schedule, lose existing benefits (such as death and living), and whether the product has increased fees or charges. The Producer should also consider whether the customer will benefit from the product enhancements versus the existing product.

b. Best Interest Standard

The majority of states have adopted, or are in the process of adopting, a best interest standard of care (i.e., the 2020 version of the Model). In addition to the suitability standards referenced above, the best interest standard requires the Producer act in the best interest of the customer without placing their or the insurer's interest ahead of the customer. The Producer must act with reasonable diligence, care and skill in making recommendations. The Producer is also required to document the basis for the recommendation and conduct an enhanced analysis of replacements.

The following four obligations apply to Producers:

- **Care Obligation:** The care obligation includes four specific duties: (1) the Producer must identify the customer's financial situation, needs and objectives; (2) understand the available annuity products; (3) have a reasonable basis to believe the recommendation effectively addresses the customer's financial situation, insurance needs, and financial objectives; and (4) communicate the basis for the recommendation.
- **Disclosure Obligation:** Prior to a recommendation, the Producer must provide various disclosures to the customer which include: a description of the scope and terms of the relationship with the customer and the role of the Producer, a description of the products the Producer can sell, a description of the compensation that the Producer will receive, and an offer to provide information regarding cash compensation.
- **Material Conflicts of Interest Obligation:** The Producer must identify and avoid or manage and disclose material conflicts of interest. Generally, sales contests, sales quotas, bonuses, and non-cash compensation are not allowed when based on the sale of a specific annuity within a limited period of time.
- **Documentation Obligations:** Producers must document, in writing, any recommendation and the basis for the recommendation. The documentation is not required to be presented to the customer but must be maintained by the Selling Firm.

c. Basis for a Recommendation

Producers are expected to gather sufficient information to form a reasonable belief that a particular product meets the needs of the customer prior to making a recommendation.

Whether a product meets the needs of the customer is fact- and circumstance-specific and a decision to recommend an annuity should be based on an analysis of all the information gathered from the customer. Annuities can be a valuable component of a customer's financial portfolio, but they may not be appropriate for everyone.

Producers must make reasonable efforts to obtain specific profile information from the customer, including but not limited to:

- Customer's age
- Financial experience
- Plans for retirement
- Current and expected annual income
- Risk tolerance
- Liquid Net Worth
- Financial objectives
- Intended use of the annuity
- Time Horizon

Based on the customer information, the Producer must have a reasonable basis to believe:

- the recommendation is appropriate for the customer.
- the customer has been informed of the various features of the annuity, including surrender charges, potential tax penalties if the customer surrenders, and any limitation on guarantees.
- the customer would benefit from certain features, such as tax deferral; and
- the annuity including riders and benefits, is appropriate for the customer based on the information the customer provided.

Some general guidelines that Producers should follow include the below.

- Producers must determine that the customer has sufficient income, liquid assets and emergency reserves to reasonably pay current and anticipated living expenses after purchasing the proposed annuity (generally considered to be about 3-6 months living expenses).
- The customer should not have an immediate need to access the funds or take withdrawals or other distributions from the proposed annuity during its surrender period (not including amounts available as a free withdrawal or RMD).
- A customer should not have a significant percent of their net worth allocated to annuities as a result of the proposed purchase, taking into consideration all annuities owned (generally no more than 50%).

Producers must use their knowledge and training to match a customer's needs and objectives with an appropriate product based on profile information provided by the customer. Producers should never recommend a product to a customer unless they have a reasonable basis to believe the recommendation is consistent with the customer's needs and objectives.

d. Suitability Forms (required for Producers whose Firms do not operate under Safe Harbor)

The Company's suitability forms are designed to help you capture their suitability analysis and are required with every new annuity application. These forms are used to help Producers assess the customer's financial situation and determine whether an annuity is suitable.

If your business is submitted to Delaware Life for review of the annuity purchase recommendation, you are required to complete a suitability data gathering form and Delaware Life will perform a suitability review based on that information. It is important for Delaware Life to understand your recommendation and how it fits the customer's needs and situation. Therefore, it is important that you carefully and thoroughly complete the Consumer Profile. If responses are missing or conflicting, Delaware Life will likely need to request additional information. Please be aware that Delaware Life will not accept annuities submitted for which customer suitability information is not provided.

- The **Consumer Profile Form** is used to help document whether a particular annuity is suitable and incorporates the customer's financial situation with points of suitability information.
- **Appendix A** is used to comply with your best interest obligations. This form is used to disclose information to your customer about (1) your role as the agent; (2) the types of financial products you are licensed and authorized to sell; (3) which company product you sell; and (4) your compensation.

V. Replacement Guidelines

Every replacement or exchange (collectively "replacement") must meet the suitability or best interest standard of care. Whether a certain transaction meets the applicable standard is fact- and circumstance-specific. Producers should never recommend a replacement that is not consistent with the customer's goals and objectives.

Delaware Life prohibits the systematic or deliberate replacement of insurance and/or annuity contracts as a method of doing business.

a. Definition of Replacement

A replacement occurs when a new life insurance policy or a new annuity is to be purchased and it is known (or should be known) that, as a result of such transaction, an existing life insurance or annuity contract has been or is to be terminated, converted, or otherwise changed in value. A replacement occurs not only when a policy/contract is surrendered, and the cash value is used to buy a new policy/contract, but also when part of the cash value or a loan is used to finance the purchase of a new policy/contract.

A financed purchase occurs when the purchase of a new life insurance policy or annuity contract involves the use of funds obtained by the withdrawal or surrender of or by borrowing some or all of the policy or contract values, including accumulated dividends, of an existing policy or contract to pay all or part of any premium or payment due on the new policy or contract. A financed purchase is a replacement.

This definition does not apply to transactions involving:

- Credit life insurance
- Group life insurance or group annuities where there is no direct solicitation of individuals by an insurance Producer
- Group life insurance and annuities used to fund prearranged funeral contracts
- Proposed life insurance that is to replace life insurance under a binding or conditional receipt by the same company
- Qualified plans covered by ERISA, Internal Revenue Code (IRC) Sections 401(a), 401(k), 403(b), governmental or church plans defined under IRC Section 414, a governmental or church benefit plan, deferred compensation plan of state or local government or tax-exempt organization under IRC section 457- unless funded solely by contributions of the employee as described above
- Nonqualified deferred compensation arrangements established or maintained by an employer or plan sponsor
- Coverage under any life policy or annuity contract where the cost is borne wholly by the insured's employer or by an association of which the insured is a member
- Existing non-convertible, non-renewable term that will expire in five years or less
- Immediate annuities funded by existing annuity contracts
- Structured settlements

b. Prohibited Replacement Practices

Producers and insurers are prohibited from recommending the replacement or conservation of an existing policy or contract by use of a materially inaccurate presentation or comparison of an existing policy or contract's premium and benefits or dividends and values, if any, or recommending the purchase of an unnecessary replacement product.

Repeated occurrences of policy or contract owners purchasing replacement policies or contracts from the same Producer after indicating on applications that replacement was not involved in the sale may be treated as a pattern and may constitute a rebuttable presumption of the Producer's knowledge that replacement was intended, and that the Producer intended to violate this rule.

c. Determining the Appropriateness of a Replacement or Exchange

The Producer is responsible for determining if the advantages and disadvantages related to replacements and whether the recommendation meets the applicable standard of care. In general, when the Producer and customer are considering replacing an existing contract/policy, the following should be discussed.

- Whether the customer is better served by keeping or modifying the current contract or policy
- The new interest rate and the guarantee period of that interest rate against the guarantee on the existing policy or contract
- The impact of surrender charges on the existing contract or policy and those applicable to the new contract and a comparison of the before and after net contract value
- Length of time remaining in the current contract's surrender period vs. length of time of the proposed contract's surrender period
- How death benefit values are calculated on the existing and proposed contract
- Access to funds features, especially instances in which surrender charges are waived
- How the customer's liquidity needs are impacted by the replacement (including new surrender period)

- Differences between contractual provisions, benefits, and rider options
- Premium tax implications
- The tax consequences of buying a new policy
- Whether it is a tax-free exchange
- If there a benefit from favorable “grandfathered” treatment of the current contract under the federal tax code
- How the quality and financial stability of the new carrier compare with those of the current carrier

To ensure that the recommendation meets the applicable standard of care, the Producer should identify:

- How the new product meets the customer’s financial goals, needs and objectives.
- How the benefits of the new product outweigh the costs and consequences of replacing the existing product.

The Producer must also help the customer understand the advantages and disadvantages of the proposed replacement.

d. Replacement Disclosures and Notices

Below are requirements you must follow when engaging in replacement sales:

- You must submit a signed statement by both the customer and you and indicate whether the applicant has existing policies or contracts
- If the applicant answers “no” then you have no further duties with respect to replacements
- If the applicant answers “yes” then you must present and read a state-approved notice regarding replacements.
- You must read no later than the time of taking the application.
- The notice must be signed by you and the applicant attesting that the notice had been read aloud or the applicant did not want it to be read aloud.
- A copy of the notice must be left with the applicant.
- In addition, you must provide Delaware Life with a listing of all approved sales material you used, including any illustrations related to the specific policy or contract being purchased.

VI. Non-Resident (Cross-Border) Sales

A non-resident sale is any transaction in which a customer purchases an annuity product in a state other than their primary state of residence. Regulators are monitoring these sales to ensure that customers do not cross state borders solely for purchasing an insurance product. Further, there are some states that prohibit cross-border sales to residents of their states.

The general rule in every state is it is impermissible to sell an insurance product to a resident of a state who travelled to that other state solely for purchasing an insurance product. When you are making a non-resident sale, in addition to the application and other standard documents that must be completed and submitted you and the applicant/owner must also complete and sign a [Non-Resident Sales Verification Form [On the form you and the applicant owner must provide information to establish a sufficient nexus between the applicant/ owner and the nonresident state.

You and the applicant/owner must also certify that: (1) all activity pertaining to the purchase, including the solicitation, sale, and signing of the application occurred only within the state in which the application was signed; and (2) the contract will be delivered to the owner in the same state in which the application was signed. 9

The following states do not permit residents of their states to purchase policies/contracts in other states. As such, the Company will not permit sales of its insurance products to the residents of the following states outside of their state of residence:

- Arkansas
- Massachusetts
- Minnesota
- Utah

The following may provide a sufficient nexus between an applicant/owner and the nonresident state in which the solicitation takes place:

- A second home in the non-resident state is generally an acceptable reason for the location of the sale.
- A business owned by the applicant/owner in the non-resident state is generally an acceptable reason for the location of the sale.
- Employment in the non-resident state is generally an acceptable reason for the location of the sale.

- Regular business dealings in the non-resident state may be an acceptable reason depending on the type and regularity of the contacts.
- Former residence in the non-resident state, with regular visits to that state to family/friends, may be an acceptable reason for the location of the sale.

The Company will determine if there is a sufficient nexus to issue the policy/contract.

VII. Policy Delivery Receipts

In-person and prompt delivery of an insurance policy or annuity contract is a critical from both a good business and legal perspective. It not only results in a greater placement rate, but also affords you the opportunity to meet again with the customer to reinforce the purchase and answer any questions that the customer may have. It further assists in establishing an on-going and lasting relationship with the customer and confirms that the customer received the policy (which commences the free look period).

Some states have specific requirements for policy delivery. For example, in Pennsylvania, South Dakota, Virginia and West Virginia, you are required to obtain proof of policy delivery. The requirements vary depending on whether you hand deliver, which is the recommended method, or mail the policy.

a. Hand-delivered Policies

When hand-delivered, a policy delivery receipt must be signed and dated by the owner. A copy of the receipt must be returned to the Company as evidence that the policy was delivered.

b. Mail-delivered Policies

Each of the states with delivery requirements permits policies to be delivered by mail. You must maintain evidence certifying policy mailing. You must sign and return the delivery receipt to the Company to show that the policy was mailed to the customer.

- In Louisiana and South Dakota, evidence of mailing must be accomplished by any certification provided by the U.S. Postal Service, including a certificate of mailing or a certified letter with return receipt.
- In Pennsylvania and West Virginia, you may use an alternate certification method. The simplest acceptable alternate method is for you to retain an office copy of the completed PDR.

In all cases, the Company strongly recommends that you maintain a policy delivery receipt, regardless of whether it is required by your state.

VIII. Customer Complaints

A customer complaint is generally defined as any communication, written or oral, which expresses a grievance or dissatisfaction with Delaware Life or any of its products, services, or procedures or with the activities of Producers in connection with the sale, distribution or servicing of Delaware Life products or which may involve a possible fraud or privacy incident.

The following is a list of some types of written communications that Delaware Life would consider to be complaints:

- Expression of general dissatisfaction directed to a company officer.
- Expression of profanity and/or derogatory statements
- Allegations of violations of insurance law or regulation
- Allegations of criminal activity
- Allegations of fraud
- Allegations of misappropriation
- Allegations of misrepresentation
- Allegations of an inappropriate or unsuitable sale
- Allegations of an inappropriate replacement
- Allegations of unacceptable customer service

Complaints may be received from a variety of sources, including state and federal regulators, customers, and third parties (e.g., attorneys, custodians or representatives of a beneficiary or estate).

Please refer any complaint to the Compliance Department at Compliance@delawarelife.com immediately upon receipt.

IX. Sales to Seniors

While Producers owe all their customers the same obligations and duties, regulators have demonstrated that a heightened duty of care is expected when interacting with seniors or with those who may be deemed to be "vulnerable" if they lack the physical, mental, or functional ability to make informed decisions about financial matters. In fact, the precursor to the NAIC Suitability in Annuity Transactions Model

Regulation was the NAIC Senior Protection in Annuity Transactions Model Regulation.

More recently, a number of states have enacted new regulations that provide very specific protections for seniors in their interactions with financial services professionals and in their purchase of insurance and financial products. The state of California has established a number of requirements pertaining to sales to seniors - from advertising, to prospecting, to first contact, to the ultimate sale. Other states like Florida, Texas, and Arizona, with a high percentage of retirees, have prescribed similar protections for their senior populations. Producers must be aware of how to recognize financial exploitation and their duty to report it when they detect it in interactions with customers and prospects.

a. Potential Indicators of Financial Exploitation

There are various suspicious activities ("red flags") which may indicate possible financial exploitation of customers who are seniors or other vulnerable persons. The mere presence of a red flag by itself does not necessarily indicate financial exploitation.

The red flags identified below are warning signs that may warrant additional scrutiny. Although the red flags set forth below refer to "seniors," these indicators also apply to "vulnerable persons." Vulnerable persons are individuals who are unable to protect themselves from abuse, neglect, or exploitation by others because of a physical or mental impairment. Red flags of possible financial exploitation include the following activities, whether by the senior or by an individual acting on behalf of the senior:

- Engaging in activity that is not consistent with expected behavior or past behavior. For example, taking several withdrawals within a brief time period in amounts that are not consistent with any prior withdrawal activity or that show a disregard for applicable surrender charges.
- Requesting a withdrawal or surrender where the funds will be used by an individual other than the senior for their own personal benefit, not for the senior's benefit.
- Requesting a wire transfer when the senior does not seem to know where the money is going or what a wire transfer is.
- Requesting a change of beneficiary to the caregiver or attorney-in-fact under a Power of Attorney.

Red flags of possible financial exploitation also include the following:

- The individual shows excessive interest in the senior's finances or assets, does not allow the senior to speak for himself or herself, or is reluctant to leave the senior's side during conversations.
- The senior or individual acting on behalf of the senior seems to speak in a scripted manner when attempting to obtain a withdrawal, surrender or transfer.
- The senior shows an unusual degree of fear or submissiveness toward the individual.
- A new caregiver, relative, or friend suddenly attempts to conduct financial transactions on behalf of the senior without proper documentation.
- The senior or individual acting on behalf of the senior requests a change of beneficiary, especially to the individual acting on behalf of the senior or to a family member of such individual.
- The senior's financial management changes suddenly, such as changing of power of attorney to a different family member or a new individual.
- The senior lacks knowledge about his or her financial status or shows a sudden reluctance to discuss financial matters.

Red flags should be immediately brought to the attention of the Delaware Life Compliance Department at Compliance@delawarelife.com.

X. Customer Information Security

Delaware Life is committed to safeguarding its customers' personal information. As such, Producers must protect Delaware Life customer information from unauthorized disclosure and apply appropriate security measures to protect customer information.

To protect customer's personally identifiable information, Producers are required to establish physical, technical, and administrative safeguards.

These safeguards should include, but are not limited to, installing virus malware protection, establishing strong passwords for accessing electronic information, locking paper documents, securely shredding documents containing customer information and encrypting all devices that store or maintain personally identifiable information as well as any personally identifiable information that is transmitted wirelessly or accessed via public network.

Personally identifiable information includes: all information about a customer that is non-public, such as first and last name combined with Social Security Number, Driver's License Number, Financial Account Numbers, Medical Information or Debit Card Numbers.

Producers must limit the access to personally identifiable information and ensure that access to personally identifiable information is immediately revoked for Producers who are terminated.

a. Reporting Privacy Incidents

Producers that become aware of any incident that compromises the confidentiality of personally identifiable information, or increases the risk of such, must immediately contact Delaware Life at compliance@delawarelife.com to report the incident.

XI. Marketing Material

Producers may only use marketing materials that have been reviewed and approved by Delaware Life. Marketing material is considered any material designed to create public interest in annuities, an insurer, or an insurance Producer (financial professional); or to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace, or retain a policy.

Examples of marketing material includes, but is not limited to:

- Prepared sales talks and presentations
- Brochures, flyers, circulars, newsletters
- Material published or designed for use on a website.
- Material used for the recruitment, training, and education of an insurer's financial professionals which is designed to be used or is used to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace, or retain a policy/contract,
- Social media platform used for business purposes (e.g., Facebook, LinkedIn, Twitter)

Delaware Life will provide Producers with approved materials and encourage the use of these materials. However, if a Producer elects to create additional marketing material they must submit it to the Delaware Life Compliance department at compliance@delawarelife.com for approval prior to use.

XII. Anti-Money Laundering

Delaware Life, in compliance with the USA PATRIOT Act ("PATRIOT Act") and other federal laws related to the prevention of money laundering and terrorist financing, has adopted a policy on money laundering. As always, Delaware Life is committed to compliance with the letter and spirit of all legal requirements applicable to its business and to the ethical standards of conduct and expects its Selling Firms and Producers to promote these same high standards.

a. Producer Training Requirement

As part of the initial appointment process with Delaware Life, and every two years thereafter, Producers are required to submit written proof that they completed anti-money laundering training. Anti-money laundering training must be provided through a training program or provider which is acceptable to Delaware Life.

b. Customer Identification

One of the most important methods by which companies can protect themselves from exposure is to implement a stringent "know your customer" policy. Delaware Life is required to use reasonable efforts to determine and verify the true identity of a customer. Producers must be careful to obtain all of the necessary information on the current application and forms used to change ownership. This information includes name, residence address, business address, date of birth, social security or tax identification number, and telephone number.

Delaware Life relies on its Producers to obtain this information as well as to obtain and review a copy of the customer's government-issued photo identification. Delaware Life believes that most customers will understand that these measures are needed to protect against money laundering, identity theft, and other wrongdoing. Moreover, customers should be accustomed to presenting government issued identification in air travel, in banks, and other financial services. If a customer is unwilling to provide such information, explain the basis for the policy and insist on proper identification. If the customer continues to resist, it may be an indication that the customer is trying to hide something.

c. Suspicious Activity

It is the Producers responsibility to report any suspicious activity that arises during the application process. Failure to report suspicious activity is a federal offense, and lack of knowledge about suspicious activity is not a defense. Some risk indicators to watch for include:

- The customer is reluctant to provide normal information when applying, provides minimal or fictitious information, or provides information that is difficult or expensive for the institution to verify.
- Transactions that involve an undisclosed party
- The customer shows no concern for the performance of the contract but is very concerned about the early cancellation.
- The customer appears to have contracts or policies with several institutions.
- The applicant purchases contracts or policies in amounts beyond his or her apparent means.
- The customer is making a single large premium payment, such as buying a single premium annuity and the ownership and source of funds cannot be identified.
- The source of funds cannot be confirmed or is questionable.
- Withdrawals soon after deposit
- Unexplained distribution to Payee
- Withdrawals soon after address change
- Suspected elder abuse or Fraud.
- The customer is not concerned with risks, commissions, investment performance or transaction costs.
- Multiple free looks

d. Reporting Suspicious Activity

Producers must report, without delay, any suspected suspicious activity involving customers or prospects. Suspicious activity can be reported to compliance@delawarelife.com. Reports must be maintained confidential, and customers must not be informed of such reports.Electronic Application and Signatures

Delaware Life utilizes an annuity order entry (“AOE”) platform for its electronic annuity application (“eapp”) submission.

XIII. Consent for Electronic Signature

Producers and customers must consent to use of AOE and electronic signatures (“esignatures”) for new business applications and servicing forms.

a. Consent for Electronic Delivery

Customers must consent to electronic delivery of documents related to its relationship with Delaware Life, including insurance applications, renewal notices, disclosures, and annual statements. During the application process, Producers should review this consent with customers to ensure their understanding and agreement. A customer is not required to consent to electronic delivery and may revoke consent at any time.

b. Submitting New Business via AOE

When submitting business via AOE, Producers are responsible for ensuring applications, forms, and other electronically signed documents accurately reflect the information provided by the customer. As such, Producers should ensure that:

- The information entered in the application, suitability forms, and other customer documents is accurate and has been provided and approved by the customer.
- The customer has reviewed all documents, including attestations related to the purpose and impact of the customer’s signature.
- The customer’s identity has been verified using a copy of the customer’s official government issued ID.

Producers are prohibited from:

- Completing and signing applications and other documents on behalf of customers.
- Asking customers to sign without reviewing the documents.
- Altering any information after a customer provided a response.
- Knowingly allowing the customer to add false or incorrect information.

Should a Selling Firm or Producer become aware of any inaccuracy related to a submitted application, they should contact the Compliance Department immediately to Compliance@delawarelife.com.

XIV. Fair Competition Guidelines

Delaware Life is committed to fair and active competition as the most effective and efficient means of providing products and services to its customers and requires its Selling Firms and Producers to engage in fair competition.

Fair competition is based on the elements of price, quality, and customer service subject to federal and state antitrust laws and state insurance laws and regulations. Focusing on fair competition can help avoid certain unacceptable practices, such as inappropriate replacements or bashing of competitors.

Each state prohibits and regulates trade practices by defining which practices constitute unfair methods of competition, or unfair or deceptive acts or practices in business of insurance including sales and marketing practices. The following is a non-exhaustive list of trade practices that are prohibited:

- Misrepresentation and False Statements. Making any estimate, illustration, circular or statement, sales presentation, omission or comparison that misrepresents the benefits, advantages, conditions or terms of any contract; or is misleading as to the financial condition of any insurer or to the legal reserve system upon which any Delaware Life operates; or using any name or title of any product or class of products misrepresenting the true nature thereof; or any intentional misquote of rates for the purpose of inducing the purchase, lapse, forfeiture, exchange, conversion or surrender of any contract.
- False Advertising. Making, publishing, disseminating, circulating or placing before the public, or causing, directly or indirectly to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any insurer in the conduct of its insurance business, which is untrue, deceptive or misleading.
- Defamation. Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting or encouraging the making, publishing, disseminating or circulating of any oral or written statement or any pamphlet, circular, article or literature which is false, or maliciously critical of or derogatory to the financial condition of any insurer, and which is calculated to injure such insurer.
- Boycott, Coercion, and Intimidation. Entering into any agreement to commit, or by any concerted action committing any act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance.
- False Statements and Entries. Knowingly making any false material statement of fact as to the financial condition of an insurer; and knowingly making a false entry of a material fact in any book, report or statement of any insurer or knowingly omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report or statement of such insurer, or knowingly making any false material statement to any insurance department official.
- Unfair Discrimination. Engaging in unfair discrimination, including refusing coverage based on sex, marital status, race, religion, or national origin of the individual.
- Rebates. Knowingly permitting or offering to make any agreement to provide any valuable consideration as an incentive to purchase or retain such insurance other than as plainly expressed in the contract issued thereon; or paying or allowing, directly or indirectly, as inducement, any rebate of premiums.
- Senior-Specific Designation. Using a senior-specific certification or professional designation that indicates or implies in such a way as to mislead a purchaser or prospective purchaser that the insurance Producer has special certification or training in advising or servicing seniors.

XV. Prohibited Activities

In addition to those practices prohibited in the Fair Competition Guidelines above, the marketing and sales practice below are prohibited.

- Altering Documents. You are prohibited from altering or correcting a document after a customer has signed it, without having the customer acknowledge the change. You may not use white out to cover an error made on a document.
- Asking Customers to Sign Blank Forms. You are prohibited from having a customer sign a form in blank, even if it is for convenience.
- Forgery. You are prohibited from engaging in the following:
  - I. signing a customer's name and/or initiating a document on behalf of a customer
  - II. asking or permitting another to sign on behalf of a customer where there is no legal authority
  - III. accepting documents, you believe to have been forged
- Fraudulent Conduct. You are prohibited from engaging in fraudulent conduct, including:
  - I. Conducting unauthorized transactions
  - II. Misuse of customer funds
  - III. Accepting, altering, or creating fictitious statements
  - IV. Knowingly allowing a customer to provide false information or misrepresent information
- Switching and Replacing. Purchasing a new insurance product with the processed form a full or partial surrender of an existing insurance product for the sole purpose of generating additional commissions is prohibited.
- Twisting. You are prohibited from engaging in twisting practices. Twisting occurs when you misrepresent features of a policy to induce a customer to purchase a policy, for the purpose of generating commission. Often the accurately case value of an older policy is used to mask the true cost of the new policy.

XVI. Record Retention

You must maintain customer files, which includes advertising materials used to sell the Companies' products, sales illustrations, customer meeting notes, phone call documentation, customer correspondence and information used to verify customer identities. Maintaining adequate customer files is essential for responding to customer or regulatory authority questions at a later date. Examples of records required to be maintained include but are not limited to the following:

- Original sales proposals.
- A copy of any needs analysis completed during the solicitation.
- A copy of any sales material or advertisements used during the sales process.
- Any written correspondence to or from the applicants/contract owners regarding the solicitation, or issuance of a Clear Spring Life contract or subsequent service of the contract.
- Documentation of phone calls to or from the applicants/contract owners addressing the above issues.
- Notes from any meetings or telephone consultations with applicants/contract owners; and
- A copy of the signed delivery receipt.

We recommend that you maintain customer files for seven years after the policy is no longer in force. You should check with your Compliance Department for your specific record keeping requirements.

XVII. Investigations

At any time, we may initiate an investigation concerning the sale, servicing or administration of products issued by the Company. You must assist the Company with its investigations by providing prompt and complete responses to requests for information. Such requests may include, requests for written statements, requests for production of business correspondence and/or requests for production of records maintained in the ordinary course of business.

XVIII. Errors and Omissions

Producers must maintain insurance covering professional errors and omissions with minimum limits of one million dollars ($1,000,000). Producers must provide the Company with proof that such coverage is in effect on an annual basis or upon request by the Company. In the event your coverage is terminated, Producers must notify the Company as required by their Producer agreement and contract with Delaware Life.

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