

FORETHOUGHT®

Forethought® FreedomSM

Issued by Forethought Life Insurance Company

Agent Guide



THINKING AHEADSM FORE
THOUGHT®

FOR AGENT USE ONLY – NOT FOR USE WITH CONSUMERS



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The Forethought Advantage

Welcome to Forethought Life Insurance Company (“Forethought”). By partnering with us, you have taken the initial step to positively impact the lives of the families and community you serve. This product offers a unique and valuable service to your clients. The following guide was created to provide you with the techniques and tools to assist families with their end-of-life needs. Congratulations and we look forward to supporting your success.

Why Forethought® FreedomSM?

- Free supplemental benefits
 - Accelerated Death Benefit
 - Grandchildren’s Benefit
 - Accidental Death Benefit
- AM Best A- Rating
- Point of sale underwriting with decisions in less than 15 minutes
- Available in 48 states*
- Product specifically designed for senior middle market
- Competitive pricing
- Commission advance for qualified agents
- Commissionable policy fee
- Commissions paid and deposited daily
- Access to the largest end-of-life assistance network of over 5,000 Forethought Funeral PlanningSM Network partners and retirement planning tools via www.forethought.com

* All underwriting classes and supplemental benefits not available in all states.

Forethought® FreedomSM Market

Forethought® FreedomSM appeals to low to moderate income individuals who do not want to burden their loved ones as they age. They are hardworking individuals from all walks of life looking to maintain a sense of dignity and independence. Low premiums, easy to understand policy language and a simple underwriting process combine to make this a prime product for the following:

The Silent Generation—Ages 65–80

- Approximately 32 million people
- Born from 1930–1945
- Average median income of \$25,000
- Modest and conservative
- Seeking protection for their family

The Baby Boomer Generation—Ages 50–65

- Approximately 77 million people
- Born from 1945–1960
- Average median income \$42,000
- Represent \$1 trillion in annual spending power
- Preparing for their retirement years



Forethought® FreedomSM Product

Forethought® FreedomSM is a whole life insurance product designed to help your client cover the costs associated with end-of-life expenses. These include funeral expenses, medical bills, and other obligations that may occur when the client passes away. In addition to being a simplified product, Forethought Freedom provides your families with a unique value offering. Following are highlights of the benefits offered with this product.

FORETHOUGHT® FREEDOM SM PRODUCT HIGHLIGHTS			FORETHOUGHT® FREEDOM SM SERVICE HIGHLIGHTS
Underwriting Classes²:		Premium Mode Factors:	Additional Benefits
Level Death Benefit Graded Death Benefit Return of Premium Limited Death Benefit <i>Male/female</i> <i>Smoker/non cigarette smoker</i> <i>(non cigarette smoker is defined as not having used cigarettes in the last 12 months)</i>		Monthly EFT 0.0865 Quarterly..... 0.2600 Semiannual..... 0.5150 Annual 1.0000	
Issue Ages:		Premium Calculation Example:	
Life Pay Level 50–80 Graded 50–80 Return of Premium Limited 50–80		Example: • 60 year old, non-smoker, male • \$10,000 face amount • Monthly APA premium • Life pay: Full death benefit $\$47.00$ annual premium x 10 = $\$470.00$ Annual policy fee + 39.00 Annual premium = $\$509.00$ Monthly APA mode factor x 0.0865 Monthly APA premium = $\$44.03$	<ul style="list-style-type: none"> • Upon death of the insured, beneficiaries receive the full policy amount within 48 hours¹ • Quick policy turnaround • Option of policy delivery to agent or client • Point of sale underwriting process decision within 15 minutes
Face Amounts:			Forethought Planning Tools via www.forethought.com
	Min.	Max.	<ul style="list-style-type: none"> • Funeral home finder • End-of-life planner • Retirement planning tools
Level	\$2,500	\$25,000	Forethought Funeral Planning NetworkSM
Graded	\$2,500	\$15,000	
Return of Premium	\$2,500	\$10,000	
Death Benefit:			Access to Forethought Funeral Planning Network SM
Level	Full face amount		<ul style="list-style-type: none"> • Over 5,000 local and national funeral and cemetery professionals available and committed to helping families during their time of need
Graded	Non-Accidental death Year 1 = 30% of face amount Year 2 = 70% of face amount Year 3+ = Full face amount Accidental death = Full face amount		
	Accelerated Death Benefit Provides 97% of the base policy face amount payout if a licensed physician determines you have a life expectancy of 6 months or less ⁵		
	Return of Premium Limited Non-Accidental death Year 1 = 110% of premiums paid Year 2 = 110% of premiums paid Year 3+ = Full face amount Accidental death = Full face amount		
	Grandchildren's Benefit Provides coverage for eligible grandchildren ages 6 months up to 18 years old at issue. The benefit amount is \$5,000 or the base policy face amount, whichever is smaller, and will be paid only one time. This benefit does not have a conversion privilege ⁶		
	Annual Policy Fee:		
	\$39.00 (commissionable)		

¹ Certain restrictions apply.

² Not available in all states.

³ Coverage may vary state by state. Not all supplemental benefits are available in all states.

⁴ Available to issue ages 50 through 70 only. Coverage terminates on the policy anniversary following attained age 75. Not available for all risk classifications.

⁵ Less any policy loans premiums due, and a transaction fee. The policy terminates following payment of the Accelerated Death Benefit and cannot be reinstated. Not available for all risk classifications. May not be available during the first 12 or 24 policy months.

⁶ All coverage under this benefit terminates on the earlier of the payment of one Grandchildren's Benefit or termination of the base policy for any reason. Grandchildren over the age of 18 at policy issue will not be covered. Coverage for any particular grandchild will end on his or her 22nd birthday.

Agent's Responsibilities

<p>Contracts and licenses</p>	<p>Agents are not permitted to solicit business until he or she is licensed and contracted with Forethought. Additionally, an agent must be licensed and contracted with Forethought in all non-resident states before taking an application for insurance.</p>
<p>Solicitation</p>	<p>Agents shall inform their prospective client, prior to commencing a life insurance sales presentation, that he or she is acting as a life insurance agent and inform the prospective purchaser of the full name of the insurance company which the agent is representing to the buyer.</p>
<p>Agent access and communication</p>	<p>Agents must not disclose any confidential information to any unauthorized person or entity. Without limiting the generality of the foregoing, confidential information of Forethought includes information regarding computer program processes, products and rate setting, names and addresses and any other personal financial or health information of any of Forethought's policyholders.</p>
<p>Authority of agents</p>	<p>Agents are authorized to solicit applications for insurance on such plans as offered by Forethought, to collect the initial premium, and to perform such other duties as Forethought may require.</p> <p>Agents are not authorized to make, alter, or discharge policies or any other contracts for Forethought, or to waive forfeitures, grant permits, make extra rates for special risk, or bind Forethought in any way.</p>
<p>Market conduct</p>	<p>Agents must remain in compliance with all applicable anti-money laundering laws and regulations.</p>
<p>Policy submission</p>	<p>Agents should fax an application with a voided check to Forethought at 1-877-432-1646.</p>
<p>Advertising</p>	<p>Agents shall not use or authorize any advertisement, circular, news release or other communication using Forethought's name or our product names (whether written, verbal, audio, or visual) without prior written approval by us.</p>
<p>Rebating</p>	<p>Agents shall not, under any circumstances, pay or allow, or offer to pay or allow any rebate of premiums in any manner, directly or indirectly, and shall not violate any of the laws relating to the subject of insurance of any state in which Agent may be acting on behalf of Forethought.</p>
<p>Replacement</p>	<p>Agents will not, directly or indirectly, engage in any marketing activities with the intent or effect of replacing in-force Forethought life insurance business. Should such replacement activity take place, commissions will be adjusted according to Company rules.</p>

Getting Started

Agent requirements

An agent **MUST** be assigned a writing number before taking an application.

Application and initial payment requirements

Use the application form approved for the state in which the application is signed. Applications are available at www.forethought.com. An original application or legible faxed application along with a copy of the initial check, voided check or savings deposit ticket and **state required forms including replacement forms** will be accepted.

Application submission – An original application or a legible faxed application along with a copy of the initial check will be accepted. It is the agent's responsibility to mail the form of payment immediately following the underwriting process. Any changes or corrections on the application must be initialed by the applicant. No errors covered with correction fluid will be accepted.

Initial payment – No agent or agency checks or CODs will be accepted for premium payment. Money orders will not be accepted as initial payment on monthly EFT. The owner's initial payment can be electronically drafted.

Insurable interest – Policyowners and beneficiaries must have an insurable interest in the life of the insured. This means they have a relationship by blood, marriage, or would suffer financial loss if the insured dies.

Insured consent – ALL applications must have the consent and signature of the applicant. If the applicant signs with an "X" or the signature is not legible, we require the applicant's signature to be witnessed by someone other than the agent.

Replacement – We will permit replacements as long as the replacement is in the best interest of the client and the appropriate state replacement forms are submitted with the application.

Policy – Applications must be dated the day the application is completed. Only applications that are

signed within the preceding 30 days of receipt at the processing location are processed. Coverage is not effective until the initial premium has been deposited and the policy has been issued. It may take up to 30 days to process special EFT dates. The procedure for an applicant to request a special draft date will be allowed up to 30 days from the day the application is signed. If you take advantage of this option, you must list the request on the application.

Commissions – Commissions are paid 7 days after the first draft. The first draft is determined by the date requested on the application. Policy fee is commissionable.

Backdating – The procedure for an applicant to save age will be allowed up to six months. If you take advantage of this option, you must include all additional back premiums required.

Underwriting – The underwriting is based on the answers to the health questions on the application, MIB data, IntelliScript pharmacy data and a telephone interview. Occasionally, when conflicting information is received from MIB, the client may be asked to contact the MIB for a copy of their disclosure report and to forward the report to Forethought. In cases where the client feels the information upon which our underwriting decision was made was incorrect, we are willing to review the Proposed Insured's medical records. Since a review of the medical records almost always leads to the same underwriting decision, the medical records must be requested by the Proposed Insured at their own expense.

These underwriting tools are used to help ensure prompt, accurate and consistent underwriting decisions. Our New Business/Underwriting associates are available to answer any questions regarding eligibility and we encourage all agents to utilize them whenever there may be an area of uncertainty. You may reach them by calling **1-888-606-6372**.

Getting Started

Telephone interview – Forethought has chosen Apptical Inc. (“Apptical”) as our final expense underwriter. Apptical is able to provide fast, fair and consistent underwriting decisions at the point of sale.

Apptical is also able to provide service for extended weekday and weekend hours. The interview will generally take less than 15 minutes and Apptical strives to answer your call in 30 seconds or less.

All Proposed Insureds will be required to complete a phone interview with Apptical. The telephone interview is used to confirm and review health information. Apptical will also perform an MIB and IntelliScript prescription medication data base search. It is imperative that all Proposed Insureds complete, sign and date the application and a HIPAA authorization prior to contacting Apptical for the phone interview.

1. **Before scheduling the phone interview, you must complete the application and ask all medical questions.** If the applicant does not speak English, Apptical will provide an interpreter.
2. You have the option of calling Forethought/ Apptical Underwriting at **1-800-737-6972** directly from the applicant’s home during the following hours: **Monday – Friday, 8:30AM – Midnight EST. Saturday & Sunday, 10:00AM – 8:00PM EST.** Please call using a land line. It provides more clarity than a cell phone.

3. If you choose not to initiate the underwriting call at the time of application or your application is being written outside normal business hours, the telephone interview will be ordered by the Home Office when the application is received. For this reason, it is essential that you indicate the applicant’s phone number and best time to call. **If the applicant does not have a number where we can contact them, they will need to contact us at 1-800-737-6972 within five working days of completing the application.**
4. Telephone interviews can be scheduled for applicants that cannot be reached during normal business hours by calling **1-800-737-6972.**

Telephone interviews are recorded and saved for future reference. This is critical in the event that there is ever any dispute over the manner in which the medical questions were originally answered on the application.

All completed, signed and dated applications and authorizations, must be sent to the Home Office, regardless of the underwriting decision.

Due to compliance and legal implications of not having the required documentation for our files, agents who fail to submit the application and HIPAA authorization form in a timely manner will be subject to corrective actions, including but not limited to: losing the ability to have point of sale interviews conducted on your clients, being placed on our watch list, or being terminated.

Health Insurance Portability and Accountability Act

The Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) combats waste, fraud and abuse in the insurance industry. HIPAA guidelines have specific disclosure requirements that prohibit unauthorized persons from viewing or receiving confidential medical information. As a result, strict HIPAA regulations prohibit us from divulging or discussing with the agent any medical information obtained during underwriting. **HIPAA Authorization to Release Confidential Medical Information form number A7080-01-HIPAA must be completed as part of the application process. This must be submitted for all applications.**

Medical Information Bureau, Inc.

The Medical Information Bureau (“MIB”), Inc. is a membership association of life insurance companies. The primary mission of the MIB is to provide an alert to its member insurance companies against omissions and fraud. This helps MIB member companies to protect their interests and leads to cost savings which can be passed on to the insurance consumer.

The authorization sections on the application authorize Forethought to access the MIB and to obtain any necessary medical records on the Proposed Insured during the underwriting process. All necessary signatures must be on the application at the time of submission or the application will be returned. Please note that the MIB is used as an alert. Actual underwriting decisions are not based on MIB inquiry results alone.

Completing the Application

Agent Comments:

Add any noteworthy information

Fraud warning:

Make sure the Proposed Insured reads the fraud warning and understands its implications.

Authorization to obtain and disclose

information: Have proposed insured read carefully

Signature of proposed insured:

Full legal signature; if signature is not legible or signature is made with a mark (X), a witness signature is required (someone other than agent)

Signed at:

City, state and date application is signed

Date:

Date signed

Owner:

If other than the proposed insured, owner must sign application

Witness:

Note if necessary

Agent's Statement:

Complete the agent statement, sign, print name, agent number and provide telephone number (in case contact with the agent is required)

Mail Policy:

Mail completed policy to Agent or Policyowner



Completing the Application

IMPORTANT NOTICE: Order and appearance of questions may vary on state specific applications.

Please print legibly

- 1. Proposed Insured:** Last name, first name and middle initial
- 2. Birth Date:** Month, day and year
- 3. Age:** Age last birthday
- 4. SS#:** List Social Security number
- 5. Sex:** Mark M, Male or F, Female
- 6. Have you smoked a cigarette in the past 12 months?** Mark yes or no
- 7. Address:** Provide full address
- 8. Home Phone:** Phone number with area code
- 9. State of Birth:** State where applicant was born
- 10. Country of Citizenship:** List the country of citizenship
- 11. Owner:** Must have an insurable interest (provide all requested information on Owner) Include Social Security number and relationship to the Insured
- 12. Replacement information:** Both questions must be answered. Mark yes or no. If question **b** is yes, submit the state specific replacement form, name of company and policy number
- 13. Plan:** Check plan Level, Graded, Return of Premium/Limited
- 14. Face amount:** List amount of insurance applying for
- 15. Billing mode:** Mode must be checked
- 16. Initial premium:** Select a payment plan and list the amount of the initial premium. Money orders will not be accepted as initial premium payment on monthly EFT
- 17. Authorization for bank draft:** If payment is drawn from a checking account, attach a voided check; if drawn from a savings account, provide the account number, routing number, bank name and phone number for verification. We will not draft an Insured's account two times (2x) within a two week period
- 18. Beneficiary and Relationship to Proposed Insured:** Must have an insurable interest. Include relationship to the Insured. List the same information for the contingent beneficiary (if applicable)
- 19. Best time to call:** AM or PM (provide time and zone)
- 20. Height:** Please provide the Proposed Insured's current height in feet and inches
- 21. Weight:** Please provide the Proposed Insured's current weight in pounds
- 22. Are you currently receiving disability payments?**
Mark Yes or No
- 23. Have you ever been convicted of a felony?**
Mark Yes or No

IMPORTANT NOTICE: PLEASE RECHECK APPLICATION FOR ANY ERRORS OR OMISSIONS

Underwriting Guide

QUALIFYING PLANS

Level death benefit:

All "no" answers to 24, 25, 26 and 27

Graded death benefit*:

Any "yes" answers to 27

Return of Premium benefit: Any "yes" answer to question 26 or 27

Decline: One or more "Yes" answers to questions 24 or 25

** All plans may not be available in all states*

Underwriting application questions

	Question 24	Question 25	Question 26	Question 27
Decline	Yes	Yes		
ROP	No	No	Yes	Yes
Graded	No	No	No	Yes
Level	No	No	No	No

Be sure to ask each question in its entirety and record the Proposed Insured's response.

QUESTION 24

24A. Have you been diagnosed or treated by a medical professional for Acquired Immune Deficiency Syndrome (AIDS), Aids Related Complex (ARC), or tested positive for Human Immunodeficiency Virus (HIV)?

This may vary slightly by state.

24B. Have you been medically diagnosed as having a terminal illness or a life expectancy of 12 months or less.

A terminal illness is defined by Forethought as any illness or condition that a medical practitioner has diagnosed as terminal or would likely cause death in the next 12 months.

QUESTION 25

25A. Do you need help performing any Activities of Daily Living (ADLs) such as eating, bathing, or toileting? Are you currently hospitalized or confined to a wheelchair, bed or nursing facility?

Does the Proposed Insured need assistance from any individual, skilled or unskilled, family or professional?

25B. Have you been medically diagnosed as having Alzheimer's disease, dementia, or Congestive Heart Failure ("CHF")?

25C. Are you currently receiving kidney dialysis or using oxygen equipment to assist in breathing? Have you been advised to have any medical test, hospital, nursing home confinement, psychiatric or home health care and not done so?

25D. Have you had a heart, lung or liver transplant, or has one been recommended to you?

If an explanation is needed on a specific question, you may contact our underwriting helpline for individual consideration.

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QUESTION 26

26A. During the past 24 months, have you had, been medically diagnosed, treated, or taken prescription medications for alcohol or drug abuse, internal cancer, Leukemia, or Melanoma (excluding Basal/Squamous cell skin cancers)?

26B. During the past 12 months, have you had, or been medically diagnosed as having a brain tumor, heart attack, stroke, Transient Ischemic Attack (TIA)? Have you been medically advised to have brain, heart or circulatory surgery?

26C. During the past 24 months, have you been treated for insulin shock, diabetic coma, amputation caused by disease, or have you taken insulin shots prior to age 40? "Diagnosed or received treatment in the past 24 months or taken insulin before the age of 40." Being treated includes follow up treatments for amputated limbs, toes and digits related to amputations necessary to treat diabetic conditions.

QUESTION 27

27A. During the past 12 months, have you been admitted to or confined in a hospital two or more times?

27B. During the past 24 months, have you had a stroke, Transient Ischemic Attack (TIA), heart attack, angina, or any procedure to improve circulation to the heart or brain?

Transient Ischemic Attack may also be defined as mini strokes. An example of a procedure to improve circulation to the heart or brain would include, but not be limited to: angioplasty, coronary artery bypass grafting (CABG), or a carotid endarterectomy.

27C. During the past 24 months, have you been diagnosed with, been treated for, or had a medical professional recommend treatment (including office visits, medications or surgery) for:

"Been diagnosed" includes the act or process of determining the nature of a disease by examination and the opinion derived from such an examination by a medical doctor or hospital. "Been treated" includes taking prescription drugs for the following medical conditions with the exception of prescription drugs to control diabetes.

1. Parkinsons disease, seizures, clinical depression, or neurological disorders?

Examples of neurological disorders include, but are not limited to: cerebral palsy, epilepsy or seizure disorder, Parkinson's disease, psychiatric disorders, mental retardation (with physical impairments), multiple sclerosis, Lou Gehrig's Disease (ALS), Huntington's disease, muscular dystrophy, Myasthenia Gravis, Down Syndrome and Meningioma.

2. Liver disease, renal insufficiency, kidney transplant, kidney failure, or irregular heart beat?

Examples of liver disease include but are not limited to hepatitis or cirrhosis. Irregular heart rhythm would include any arrhythmia, including atrial fibrillation, tachycardia and pacemaker.

3. Diabetes with uncontrolled blood pressure, or requiring more than 60 units of insulin daily, or diabetic complications, including numbness, eye or kidney disorder, coma, insulin shock , or uncontrolled blood sugars?

Diabetic nephropathy is a complication affecting the kidneys. Diabetic retinopathy is a complication affecting the eyes. Diabetic neuropathy is a complication affecting the peripheral nervous system (tingling, numbness of the extremities, ulcers and amputations).

Underwriting Guide

4. Emphysema, Chronic Bronchitis, Chronic Asthma, Chronic Obstructive Pulmonary Disease (COPD), or Black Lung?

Chronic Obstructive Pulmonary Disease, also known as COPD is any form of severe respiratory disease. The use of oxygen will be considered as treatment. The following are some conditions that are considered COPD:

- Chronic Asthma
- Chronic Bronchitis
- Emphysema
- Pneumoconiosis (Black Lung, Farmers Lung, Asbestosis, Silicosis)
- Bronchiectasis
- Pulmonary Sarcoidosis
- Active Tuberculosis
- Histoplasmosis
- Nocardiosis
- Pulmonary Cryptococcosis

27D. During the past 36 months, have you been diagnosed with, treated for, or had a medical professional recommend treatment (including office visits, medications, or surgery) for alcohol or drug abuse, internal cancer, Leukemia, or Melanoma?

28. Not applicable

29. Doctor's name and telephone number:

Full name of physician and telephone number, including area code.

30. Eligible Grandchildren:

List grandchildren between the age of 6 months and 18 years old at issue.

31. Owner Identity Verification:

Select one of the choices. If government identification is unavailable, Forethought may verify identification by obtaining a consumer report.



Forethought® Contact Information

ONLINE SERVICES:

Access product information, service details, commission and policy reports, and other valuable information by logging on to ***www.forethought.com***.

UNDERWRITING:

For phone interviews with our underwriters, questions or status call **1-800-737-6972**.

AGENT CUSTOMER SERVICE:

Call **1-888-606-6372** for assistance with product sales, commissions, and agent contracting.

Submitting a new business application:

Fax to **1-877-432-1646**

Email to ***final.expense@forethought.com***

FORETHOUGHT MAILING ADDRESSES:

**Forethought Freedom
Attn: New Business
P.O. Box 148
Batesville, IN 47006**

**Overnight Delivery
Forethought Freedom
One Forethought Center
Batesville, IN 47006**

SUPPLY ORDERS:

Order your supplies online at ***www.forethought.com***.

Email your order to ***final.expense@forethought.com*** for processing.

Contact **1-888-606-6372** for assistance with placing the order.

CLIENT CUSTOMER SERVICE:

Clients may access specific policy details through our customer service via phone or email.

Phone: **1-888-606-6372**

Email: ***final.expense@forethought.com***

Forethought Life Insurance Company

Corporate Office

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Indianapolis, IN 46204

Administrative Office

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www.forethought.com

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