

COLORADO BANKERS LIFE INSURANCE COMPANY®
BANKERS LIFE INSURANCE COMPANY
SOUTHLAND NATIONAL INSURANCE CORPORATION

HARDSHIP REQUEST FOR EXEMPTION FROM MORATORIUM
UPDATED MARCH 26, 2020

We understand that certain policy owners may face financial hardships as a result of the moratorium that the rehabilitation order placed upon cash surrenders and partial withdrawals, under Colorado Bankers Life Insurance Company, Bankers Life Insurance Company, and Southland National Insurance Corporation (“the Companies”) policies or contracts. The Court has granted the Special Deputy Rehabilitator (the “Rehabilitator”) authority to consider hardship payment requests. To request a hardship payment, you must complete and return the attached “**Hardship Request Form.**” For the purpose of hardship requests, this form will replace the customary forms that the Companies previously used for cash disbursement requests.

To qualify for hardship payment consideration, you must include the following:

- **Notarized or Certified Statement of Facts** that the Annuitant, Owner, or someone with a Power of Attorney acting for the Owner or Annuitant has completed, made under the penalties of perjury. Briefly describe the basis of the hardships, which must be based upon a *proven financial need*. This Statement of Facts should list your income, liquid assets, and outline the circumstances that support your claim of hardship and should accompany the information sent to our office. **The hardship request will not be processed unless the Statement of Facts is notarized (see exception below).** If you deliver the enclosed information by email or facsimile, then the Company must receive an identical, signed, and notarized original before final approval may be granted. Please be as specific as possible, as the more information you give to the Rehabilitator, the easier it will be to process your request.
- **If you are unable to obtain a notarized statement due to restrictions in place from COVID-19, a certified statement will be allowed for all hardships filed by April 30, 2020. Please see Statement of Facts page.**
- **Proof or Evidence Supporting the Statement of Facts** – This would include, as applicable, bills, notices, doctor’s statements, or Power of Attorney, Guardianship or Conservator paperwork. List sources of income for the policyholder and spouse, as applicable, including social security, salary and wages, investment earnings, (interest, dividends, etc.) retirement/pension, etc. Please provide copies of recent paycheck stubs, SSI receipts, etc. Provide the most recent asset balance page from third party statements for policyowner and spouse, included but not limited to checking, savings, investment accounts, and CDs.

[1] Please note that original documents will not be returned.

- **Hardship Request Form**

- **Hardship criteria include but are not limited to:**

[1] **To prevent eviction or foreclosure on your principle residence** - A hardship withdrawal may be used to prevent eviction or foreclosure on your principle residence. Acceptable documentation includes:

- Notice from the landlord or mortgage holder threatening eviction or foreclosure
- Amount needed to prevent such action
- Total amount owed

[2] **Uninsured or unreimbursed medical expenses** - A hardship withdrawal may be used for out-of-pocket expenses for medical care. Acceptable documentation includes:

- Bills from doctors, hospitals, laboratories, and ambulance services
- Receipts for prescriptions, eyeglasses, and medical supplies

- Documentation of amounts paid for medical insurance, as well as any amounts reimbursed for medical expenses
 - For ongoing medical treatment, a licensed physician's statement estimating planned treatment and associated costs
 - Receipts for home improvements strictly for medical reasons
- [3] Post-secondary education expenses** - A hardship withdrawal may be used to pay for up to 12 months of post-secondary expenses tuition for yourself and/or your dependents, educational fees, room and board, and supplies. Acceptable documentation includes:
- For tuition and educational fees: a copy of the bill on school letterhead or the school's online statement
 - For books: proof of registration and a dated receipt of book purchase
 - For off-campus housing: proof of registration and a copy of the lease with landlord information, monthly payment amounts, and length of lease
- [4] Inability to pay for basic life support needs** – A hardship may be used to pay for food, essential utilities (i.e. gas, electricity, water, etc.), and shelter (i.e. mortgage, nursing home, etc.). Acceptable documentation includes:
- List of significant expenses for the policyowner and spouse to sufficiently prove a financial hardship (i.e. expenses exceed assets and/or income stream of policyowner and spouse, as applicable). Copies of third-party statements/receipts are to be submitted
 - A copy of a bill or invoice from utility company
 - Notice from the landlord or mortgage holder threatening eviction or foreclosure

Assessment of the financial need by the Rehabilitator is based upon the proven existence of the hardship (examples above) and adequate support of the financial need either currently or within the next 12 months.

By providing you with this information and these forms, we are not indicating whether the Rehabilitator will approve your hardship request. The Rehabilitator will review each request on its own merits. In order to expedite the process, you can email the hardship forms to hardships@globalbankers.com and then mail the original forms. The original forms must be received prior to final approval.

Original Forms need to be mailed to:

**Rehabilitation
PO Box 110604
Durham, NC 27709-0962**

Upon receipt of your completed hardship documents, the Rehabilitator will review them and reserves the right to request additional information and documentation, as he deems appropriate. You must cooperate with the Rehabilitator by providing all such requested documentation and information or your request will be denied.

If you have any questions, please contact the Companies by calling:

- For Colorado Bankers Life policies: 1-800-367-7814
- For Bankers Life policies: 1-800-839-2731
- For Southland National policies: 1-833-452-4240

Thank you in advance for your attention to these matters.

Michael Dinius
Special Deputy Rehabilitator

Hardship Application Checklist

Please make sure ALL requested documents are in your packet. The Rehabilitator CANNOT review an application until all documentation and forms have been received.

Please do not staple any documents.

Hardship Request Form

Must be completed in its entirety, dated and signed by the owner, joint owner if applicable, and a witness

Certified Statement of Facts

A brief statement explaining your hardship. All pages of the statement MUST be notarized (see exception on Statement of Facts page).

Evidence of Liquid Assets

Copies of your most recent bank statements from ALL of your checking, savings and investment accounts

Evidence of Income

May include paystubs, award letters from Social Security, investment earnings statement, your prior year's professional tax return, or clearly indicate income on your bank statement

Proof of Your Monthly Expenses and/or Unpaid Bills

These documents must support the amount you are requesting, and you must provide the actual statements. Monthly expenses would include rent/mortgage, water, electricity, gas, etc. Unpaid bills would include past due accounts such as medical bills, loans, or tuition.

All documents can be emailed to Hardships@GlobalBankers.com except for the original notarized or certified statement of facts.

Please mail your original certified statement of facts to:

**CBLife Rehabilitation
PO Box 110604
Durham, NC 27709**

If your original certified statement is not received within 30 days, your hardship will be withdrawn.

Hardship Request Form

Company Name: _____

Contract Number: _____

Owner: _____

I, _____, Owner of this contract, request a withdrawal of \$_____.

Employment Information:

Employed Unemployed Retired

Source of Income:

Employment Investments Pension/Social Security

Average Monthly Income: _____

Average Monthly Expenses: _____

Balances of Liquid Assets:

Checking: _____

Savings: _____

Other: _____

Total Liquid Assets: _____

Please acknowledge:

_____ I understand that this amount may be reduced by any surrender charges, taxes withheld, Market Value Adjustment, and as a result the total withdrawal may be larger.

Federal Income Tax Withholding - I understand if there is a reportable distribution as a result of the withdrawal, it will be reported to the Internal Revenue Service (IRS) for the calendar year the withdrawal is made. Unless waived by me, if there is a reportable distribution, it will have income tax withheld at a flat 10% rate.

Federal Excise Tax - If you are under age 59½, a Federal excise tax may apply.

State Income Tax Withholding – If your address of record is within a mandatory withholding state, state taxes will be withheld from your distribution in accordance with the respective state rules. Other states allow an independent election, and, in these states, state tax will be withheld unless you elect otherwise. If your state does not allow withholding, no state tax can be withheld. Please contact the Company to confirm if your state has a mandatory state tax.

Reportable Distribution - I further understand that even if I elect not to have Federal income tax withheld, any reportable distribution will still be reported to the Internal Revenue Service.

- I elect NOT to have Federal income tax withheld.
- I elect to have Federal income tax withheld.

NOTE: TAX AUTOMATICALLY WITHHELD IF NO WITHHOLDING OPTION IS ELECTED

I am not under guardianship, nor have I made any assignment, pledge, or executed any document affecting ownership or right to any monies due or to become due under the contract, and I further certify that no proceedings in bankruptcy are pending to which I am a part.

This form is dated at _____ this _____ day of _____, 20_____.

Signature of Owner

Signature of Joint Owner (if applicable)

Signature of Witness

Owner's Telephone & Social Security Number

