

To	U.S. Financial Life Insurance Co. General Agents and Producers
From	U.S. Financial Life Insurance Company
Date	May 17, 2006
RE	New Application (GENAPP 1-06)

Please share this bulletin with all of your Producers.

U.S. Financial Life Insurance Company (USFLI) is pleased to announce our new Application (GENAPP 1-06) will be available for your use as of June 1, 2006 in approved states.

The new application can be used effective June 1 in the approved states and will be available on our website as of that date. Beginning August 1, we will only accept the new Application in those states approved as of June 1. Once a new state is added to our approved list we will provide a sixty day transition period, during which time we will also accept the old application form. At the end of a state's 60 day transition period we will require use of the new application exclusively. Once approved in a state, only the new application will be available through our website, www.usfli.com.

The new Application will improve our Clinical Underwriting[®] process by requesting information that captures important details for risk assessment. It will capture replacement information more succinctly than the current app and thus will eliminate the need for the Replacement Acknowledgement Form. However, if a replacement is identified, the state specific Replacement forms will still be required.

We believe you'll agree that the new Application (GENAPP 1-06) presents a more professional image for USFLI.

The Sales Vice Presidents will prepare a webcast for their General Agents to help make this transition easier. Information from the Sales Vice Presidents will be forthcoming. This Compliance Bulletin and the attached transition rules will be blast faxed to General Agents today and will be available on the website as well. Please share this information with your producers.

Attached is a copy of the highlights and transition rules for this new application which we believe will answer most of your questions. However, if any others come to mind, please contact your Sales Vice President, your New Business Manager, or any of the following team members: Darlene Robertson – V.P. Underwriting, Erik Simmons, V.P. – New Business and Technology, Bonnie Householder – V.P. Compliance, or Steve Shaw – V.P. and General Counsel. The Application Review Team is here to help.

Copy: Home Office Employees



U.S. Financial Life Insurance Co. NEW APPLICATION AND REINSTATEMENT FORMS

U.S. Financial Life Insurance Co., the Clinical Underwriting® company, is pleased to introduce a new application, approved in most states. As of our official transition date of June 1, 2006, the new application has been approved in the following states:

Arkansas	Hawaii	North Carolina	South Dakota
Alabama	Iowa	North Dakota*	Tennessee
Alaska	Idaho	New Hampshire	Texas*
Arizona*	Illinois*	New Mexico*	Utah
Colorado	Kentucky*	Nevada	Vermont*
Connecticut*	Michigan*	Ohio	Washington*
District of Columbia	Missouri*	Oregon*	West Virginia
Delaware	Mississippi	Rhode Island	Wyoming*
Florida*	Montana	South Carolina	

(States with asterisks require state specific Applications and/or Reinstatement forms)

New Application - Right Features

- **Better questions** - The new application (GENAPP 1-06) will improve efficiency in the Clinical Underwriting® process by requesting information in such a way as to elicit the responses with details so we do not have to go back to the GA and ask questions. The questions focus on important information for risk assessment.
- **Eliminates additional paperwork** - It captures replacement information, so the Replacement Acknowledgement Form will no longer be required. State specific Replacement forms will still need to be used as appropriate.
- **Simplified** completion for Broker and Potential Insured.
- More professional, solid appearance which provides a superior representation of the professional nature of the Company.
- **Improved PAC processing** - It provides greater clarity in defining when coverage goes into effect and the conditions required to place the policy into effect, and will eliminate request to date inside the grace period with new PAC card.
- **Fewer amendments** - We have clarified and organized questions to reduce confusion, missed information, amendments, etc., which will help our process as we have to 'chase' less information on new applications.
- **Clarification** of required signatures should help us to avoid holding issue for proper signatures.

Frequently Asked Questions

Following are answers to some questions that you may have regarding the new application.

What are the transition rules in states that have approved the new application as of June 1, 2006?

- In those states which have approved the new application, all applications dated June 1, 2006 or later will be processed with the new applications. USFL will not process any old applications received in the Home Office after July 31, 2006 dated in those states that have approved the new application as of June 1, 2006.
- New state approvals will be announced twice monthly and new applications must be used based on the State Availability Date.

What are the transition rules for future state approvals?

- USFL will announce state approvals 15 days prior to the State Availability Date. All applications using the new application must be dated on or after the State Availability Dates.
- New applications (generic or state specific) cannot be used prior to the approval by the state.