



# **U.S. MARKETING CORPORATION**

GERMANIA BUILDING • 135 W. WELLS STREET • SUITE 115 • MILWAUKEE, WI 53203  
TELEPHONE 414-278-7576 • 1-800-367-8639 • FAX 414-278-7574 • [www.usmarketingcorp.com](http://www.usmarketingcorp.com)

## **Contracting with** **National Western** **for Money Concepts Reps**

**Print off the next 5 pages of the attachment, complete  
the forms and return them to U.S. Marketing  
Corporation**

**Email: [licensing@usmarketingcorp.com](mailto:licensing@usmarketingcorp.com)**

**or**

**Fax: (414) 347-2394**

**Submit the following along with appointment forms:**

- 1. Resident Insurance License**
- 2. E&O Insurance Certificate**

**PLEASE PRINT OR TYPE CLEARLY**

**A. General Information**

1. Name (as appears on license and contract) \_\_\_\_\_
2. Social Security Number \_\_\_\_\_ 3. Business Phone \_\_\_\_\_
4. In what name should agent contract be issued? \_\_\_\_\_
5. Current residence \_\_\_\_\_
- Street (P O Box unacceptable)                      City                      State                      Zip                      County (how long?)

**Residence Address for Previous Five Years**

Date From	Date To	Street Address	City	State	Zip Code

6. Business address \_\_\_\_\_
- Street/P O Box                      City                      State                      Zip
7. Residence Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_
8. Preferred earned commission frequency: (please select one)     daily     weekly     semimonthly     monthly
9. Date of Birth \_\_\_\_\_ Marital Status \_\_\_\_\_ Spouse's Name \_\_\_\_\_

**B. Licensing Information (Please attach copies of licenses for state(s) where you wish to be appointed with NWL<sup>®</sup>)**

- Presently Licensed?  Yes  No If licensed, license type  Individual  Agency  Corporate  Life  Accident & Health
- State(s) where appointment with National Western Life (NWL<sup>®</sup>) is being requested \_\_\_\_\_
- Primary Markets \_\_\_\_\_ Years in Insurance sales \_\_\_\_\_ List insurance company appointments held for the last five years \_\_\_\_\_

**C. Agent's Statements**

**For questions 1-8, if your answer is "yes" to any of the questions, please write details on a separate sheet of paper and attach it to this application.**

1. Are you currently employed by or associated with a financial institution?..... Yes  No
2. Have you ever plead nolo contendere (no contest) or been found guilty of a felony? ..... Yes  No
3. Have you ever plead nolo contendere (no contest) or been found guilty of a misdemeanor other than a traffic violation? ..... Yes  No
4. Are you now, or have you ever been, party to a legal hearing (including lawsuits initiated by private or government parties) related to your activities in the Insurance Industry? ..... Yes  No
5. Are you now, or have you ever been, under sanction in any manner, or a party to an insurance department or regulatory agency hearing relating to your activities in the insurance industry? ..... Yes  No
6. Are you indebted to any insurance company, or does any insurance company claim you owe them a debt? ..... Yes  No
7. Are you now, or have you ever been, a party to the misappropriation of money, funds, premiums, or other property? ..... Yes  No
8. Are you now, or have you ever been, a party to a legal settlement of a dispute involving a client or company for which you worked? ..... Yes  No
9. **Is new business being submitted to NWL<sup>®</sup> with this contract?** ..... Yes  No
- If so, on what date was the application written?** \_\_\_\_\_
10. Do you authorize NWL<sup>®</sup> to provide your name and contact information to other NWL<sup>®</sup> agents, customers, and/or potential NWL<sup>®</sup> customers seeking an NWL<sup>®</sup> agent in their area? ..... Yes  No

*I hereby represent and warrant to NWL<sup>®</sup> that the execution by me of an agency contract with NWL<sup>®</sup> will in no manner breach or violate any existing contractual relationship between me and any other party or entity. Under penalties of perjury, I certify that the number shown on this form is my correct taxpayer identification number. I understand that commission reports and taxable earnings reports via IRS Forms 1099 Misc. are posted on the Company web site. I understand that no paper copies of the commission reports will be mailed to me unless I request them.*

*I hereby authorize any individual or company to give NWL<sup>®</sup>, or its authorized representative, any and all information with reference to my character, credit, business reputation, criminal records, employment history including information whether or not among their records (collectively "My Information"), and I release said individual or company from any and all liability whatsoever which results, or might result, from the disclosure of My Information. I hereby authorize NWL<sup>®</sup> to disclose at its sole discretion My Information to any of its agents that have a need for such information. A photocopy of this Authorization shall be as effective as the original.*

Signed ★ \_\_\_\_\_ Date \_\_\_\_\_



AGENT DATA

PLEASE PRINT OR TYPE CLEARLY

D. Anti-Money Laundering Certification of Compliance

I certify that I have completed National Western's anti-money laundering training regarding U.S. anti-money laundering laws and the responsibilities that agents have in detecting and preventing money laundering. I understand my responsibilities as an agent of National Western under the Anti-Money Laundering Compliance Plan and will comply with the requirements of this program.

Signed \* [Signature] Date \_\_\_\_\_

(Other Anti-Money Laundering training courses are not acceptable.)

E. Agency Appointment (Please complete this section only if you wish to be appointed and contracted as an Agency.)

Agency Name \_\_\_\_\_

Please select one:  Partnership  Sole-proprietorship  Corporation

Tax identification number (or employer ID number assigned to your Agency by the IRS) \_\_\_\_\_

Agency Principals

Table with 4 columns: Name, Date of Birth, Title, Social Security Number. Rows include President, Vice President, Treasurer, Secretary.

F. Recruiting Agent's Statement

I, the undersigned, do certify that I am personally familiar with the integrity and character of \_\_\_\_\_ that her/his reputation is good, and that she/he is trustworthy. To the best of my knowledge, all statements contained in the Agent Data form are true and correct. This agent is qualified to act as an insurance agent of National Western Life before the general public.

Signed \* [Signature] Mary T. Walsh 8844877 Date 8/23/11 Name printed or typed / Agent#



**SPECIAL PRODUCER AGREEMENT**

This contract, effective this \_\_\_\_\_ day of \_\_\_\_\_, is by and between the Agent, \_\_\_\_\_, and NATIONAL WESTERN LIFE INSURANCE COMPANY, Austin, Texas. In this agreement the Agent will be referred to as "you" or "your" and National Western Life will be referred to as "us," "we," or "our." It is agreed by the parties as follows:

1. We appoint you to personally procure applications for insurance for us, deliver policies issued by us, and provide policyholder service as requested, all subject to our Rate Book and our Rules and Regulations. You are an independent contractor, and this agreement does not establish an employer-employee relationship.
2. You agree to abide by our Rules and Regulations and the laws and regulations where we are licensed to sell insurance. You have no authority to bind us except as provided in our Rules and Regulations or to incur expenses in our behalf except when we authorize you in writing. All money received by you on our behalf shall be held in trust and will be paid to us immediately. Any advertisement, circular, or other communication using our name, or referencing our products, must be approved in writing by us.
3. Either party may terminate this agreement by providing fifteen (15) days' written notice to each party's last known address. This agreement shall terminate immediately upon your death, disability, the suspension or revocation of your insurance license, or our withdrawal from the territories where you are licensed.
4. You agree not to: (a) induce or attempt to induce any of our policyholders to discontinue payment of premiums or to relinquish any policy; (b) induce or attempt to induce any of our representatives to leave our service; (c) violate the insurance laws of any state in which you may be soliciting applications for insurance; (d) withhold any of our, the policyholder's, prospective policyholder's, or applicant's monies or property; (e) rebate or offer to rebate all or any part of a premium on our insurance policies or annuities; (f) perpetrate any fraud against us, our policyholders, prospective policyholders, or applicants; and (g) violate our Rules and Regulations which are incorporated herein.
5. All books, documents, vouchers, receipts, lists, notices, or other papers of any kind used by you in any transaction involving us and any other personal property furnished by us shall remain our property, shall be open to inspection by us at all times, and shall be returned to us at termination of this contract. All uncollected premium receipts and undelivered policies sent to you for delivery and collection shall be promptly returned to us.
6. This agreement contains the entire understanding between you and us concerning the business written through the undersigned general agent who has requested this appointment for you with this Company. This agreement pertains only to the line of business that the general agent is authorized to market on behalf of National Western Life through the agent account number of the general agent that is notated on this agreement next to the general agent's signature. Waiver by us of any conditions in this agreement shall not be considered as a subsequent waiver of such conditions. This agreement may only be modified in writing, by agreement of both you and us, and shall be construed under Texas law.
7. We are not responsible to you for any commissions from the sale of insurance. You agree to look solely to the person requesting your appointment with us for all commissions and agree to release and hold us harmless for such commissions.

EXECUTED as of the date first written above.

Acknowledged, Accepted, and Agreed to:

NATIONAL WESTERN LIFE INSURANCE COMPANY

*Maury Wilkerson* 46949  
 GENERAL AGENT AGENT NO. 448  
 Money Concepts International

\_\_\_\_\_  
 X  
 AGENT

NATIONAL WESTERN LIFE INSURANCE COMPANY  
850 EAST ANDERSON LANE • AUSTIN, TEXAS 78752-1602



# FIXED INDEXED PRODUCT AGENT ACKNOWLEDGMENT

## for the FIXED INDEXED LIFE

I acknowledge that I have read National Western Life's:

- NWL Lifetime Returns Select<sup>®</sup> Agent Guide (DM-1065) and Consumer Brochure (DM-1069).
- NWL Lifetime Returns<sup>®</sup> Agent Guide (SA-9987) and Consumer Brochure (SA-9969-B).
- NWL<sup>®</sup> Lifetime Returns Solutions Agent Guide (DM-1145) and Consumer Brochure (DM-1146).

I understand the features and mechanics of this life insurance product and I will not make statements that differ from those made in the Consumer Brochure and Agent Guide.

Furthermore, I acknowledge that I understand the following:

- 1) Fixed indexing is a method and formula for calculating fixed interest, and may include such concepts and terms as Participation Rate, Monthly Averaging, Monthly Index Change Rate, Monthly Index Cap Rate, Annual Index Change Rate, and Annual Index Cap Rate.
- 2) This is a LIFE INSURANCE PRODUCT regulated by various state insurance departments. It is NOT an investment security, and it is NOT registered or approved by the SEC.
- 3) While the index-based interest of this product is calculated by a formula linked in part to the S&P 500<sup>®</sup> Composite Stock Index (excluding dividends), the credited interest will not match the performance of that Index. The actual index-based interest credited may be zero percent.
- 4) No representation, prediction, or guarantee of future interest performance may be made at any time, and past performance is never an indication of future performance.
- 5) The product is a life insurance product with surrender charges and other expenses and charges. As such, it may not be appropriate for all consumers.

**(Note: Iowa Agents will be required to submit course completion documentation when submitting form SA-9939. Course completion consists of 4-hour continuing education/training on indexed products.)**

NWL<sup>®</sup> Agent Number *(if new agent, leave blank)* \_\_\_\_\_

Agent Name Printed \_\_\_\_\_

Agent Signature \_\_\_\_\_

Date \_\_\_\_\_

**See Reverse Side for Annuities**



# FIXED INDEXED PRODUCT AGENT ACKNOWLEDGMENT

## for the FIXED INDEXED ANNUITIES

I acknowledge that I have read National Western Life's (check boxes as appropriate):

- NWL® Global Lookback Consumer Information Summary and Disclosure (DM-1106 and variations).
- NWL Ultra Classic® Consumer Information Summary and Disclosure (DM-1109 and variations).
- NWL Ultra Benefit® Consumer Information Summary and Disclosure (SA-9931 and variations).
- NWL® Ultra Future Consumer Information Summary and Disclosure (DM-1108 and variations).
- NWL® Ultra Value Consumer Information Summary and Disclosure (DM-1110 and variations).
- Confidence Index 2000 Style III Consumer Information Summary and Disclosure (SA-9919 and variations).
- NWL® Liberty Classic Consumer Summary and Disclosure (SA-9568 and variations).
- NWL® Liberty Challenge Consumer Summary and Disclosure (SA-9569 and variations).
- NWL® Liberty Champion Consumer Summary and Disclosure (SA-9567 and variations).

I understand the features and mechanics of that/those annuity product(s), and I will not make statements that differ from those made in the Summary and Disclosure.

Furthermore, I acknowledge that I understand the following:

- 1) Fixed indexing is a method and formula for calculating fixed annuity interest, and may include such concepts and terms as Participation Rate, Monthly Averaging, Annual Reset, Annual Asset Fee Rate, Monthly Index Change Rate, Monthly Index Cap Rate, and Index Term Period.
- 2) These are FIXED ANNUITIES regulated by various state insurance departments. These are NOT variable annuities or investment securities, and are NOT registered or approved by the SEC.
- 3) While the index-based interest of these annuities is calculated by a formula linked in part to the S&P 500® Composite Stock Index (excluding dividends), the annuity performance will not match the performance of that Index. The actual indexed-based interest credited may be zero percent, although there are minimum guaranteed values, which may be subject to withdrawal charges. **(Applies to all products listed above with the exception of NWL® Global Lookback annuity; please refer to #6 below).**
- 4) No representation, prediction, or guarantee of future interest performance may be made at any time, and past performance is never an indication of future performance.
- 5) The products are long term deferred annuity products with substantial early withdrawal charges. As such, they may not be appropriate for all consumers.
- 6) The NWL® Global Lookback index-based interest on the Account Value is linked in part to the S&P 500® Composite Stock Index, the Nikkei 225 Index, the Dow Jones EURO STOXX 50® Index, and the Hang Seng Index. (Note: The indexes do not include dividends that may be paid on the stocks making up the indexes.) The credited interest will not match the performance of that Index. The actual index-based interest credited may be zero percent.

**(Note: Iowa Agents will be required to submit course completion documentation when submitting form SA-9939. Course completion consists of 4-hour continuing education/training on indexed products.)**

NWL® Agent Number (if new agent, leave blank) \_\_\_\_\_

Agent Name Printed \_\_\_\_\_

Agent Signature \_\_\_\_\_

Date \_\_\_\_\_

See Reverse Side for Life



***FAIR CREDIT REPORTING ACT  
DISCLOSURE TO PROSPECTIVE AGENTS***

**(PLEASE RETAIN THIS PAGE FOR YOUR RECORDS)**

In compliance with the Fair Credit Reporting Act (FCRA,) you are hereby notified that National Western Life Insurance Company (NWL<sup>®</sup>) may obtain a consumer report, or investigative consumer report, including information as to your credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, mode of living, criminal records, and employment history. Such inquiry will be made upon NWL<sup>®</sup>'s receipt of your completed Agent/Agency Data Sheet and Agent Contract.

By signing the Agent/Agency Data Sheet, you authorize NWL<sup>®</sup> to make these inquiries. (Please see the paragraph preceding the ★ on the Agent/Agency Data Sheet.)

You have the right to obtain a complete and accurate disclosure of the nature and scope of the investigation requested. Upon written request to NWL<sup>®</sup> within a reasonable time after your receipt of this document, such additional disclosure shall be made to you in writing.

Please forward your request to:

National Western Life Insurance Company  
Attention Agent Contracting & Licensing  
850 East Anderson Lane  
Austin, TX 78752-1602

or fax to: (512) 719-8506

For additional information concerning the FCRA, you can find the complete text of the FCRA, 15 U.S.C. 1681 et seq, at the Federal Trade Commission's web site (<http://www.ftc.gov>.)

# **Anti-Money Laundering Training For Agents**

## **I. INTRODUCTION**

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The United States imposes anti-money laundering restrictions to protect the integrity of the U.S. financial sector and to prevent criminals and terrorists from abusing the U.S. financial system for their illicit activities.

## **II. MONEY LAUNDERING AND TERRORIST FINANCING DEFINED**

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According to the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN), money laundering "involves disguising financial assets so they can be used without detection of the illegal activity that produced them. Through money laundering, the criminal transforms the monetary proceeds derived from criminal activity into funds with an apparently legal source." In short, illegally-obtained funds are filtered through a series of transactions that cause the money to appear legitimate—in other words, it is the process by which "dirty" money is "cleaned" or "laundered."

There are three steps to money laundering:

1. Placement – Illegally-derived funds are placed into the stream of commerce.
2. Layering – A transaction occurs to disguise the true source of the funds.
3. Integration – The money is repatriated into the economy in its disguised form.

Terrorist financing involves using money that can be obtained lawfully or unlawfully to fund illegal activities. Because terrorists can engage in money laundering to fund their illicit activities, U.S. anti-money laundering laws and regulations also are designed to disrupt and prevent terrorism-related money laundering activities.

## **III. NATIONAL WESTERN'S RESPONSIBILITIES**

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Insurance companies are required by federal law to "develop and implement a written anti-money laundering program applicable to its covered products that is reasonably designed to prevent the insurance company from being used to facilitate money laundering or the financing of terrorist activities."

The law also sets out minimum requirements for such a program; the program must (1) "incorporate policies, procedures, and internal controls based upon the insurance company's assessment of the money laundering and terrorist financing risks associated with its covered products," which includes, among other things, "integrating the company's insurance agents and insurance brokers into its anti-money laundering program, and obtaining all relevant customer-related information necessary for an effective anti-money laundering program"; (2) "designate a compliance officer" who will be responsible for the program; (3) "provide for ongoing training of appropriate persons concerning their responsibilities under the program"; and (4) "provide for independent testing to monitor and maintain an adequate program, including testing to determine compliance of the company's insurance agents and insurance brokers with their obligations under the program."

Federal law also requires that insurance companies file "a report of any suspicious transaction" that meets certain designated criteria and that the company "establish and implement policies and procedures reasonably designed to obtain customer-related information necessary to detect suspicious activity from all relevant sources, including from its insurance agents and insurance brokers." Insurance companies must report such suspicious transactions by completing a Suspicious Activity Report by Insurance Companies (SAR-IC).

These laws are not applicable to all insurance products; the U.S. Treasury Department has identified categories of “covered products” that presented sufficient money laundering risk to justify regulation. However, National Western has voluntarily decided to include all of its products in its anti-money laundering program.

National Western is committed to maintaining company-wide awareness of the importance of these laws and regulations and has developed an Anti-Money Laundering Compliance Plan, setting forth National Western’s internal rules and procedures designed to ensure full compliance with applicable U.S. anti-money laundering laws and regulations.

#### IV. RESPONSIBILITIES OF NATIONAL WESTERN’S INSURANCE AGENTS AND BROKERS

Due to the nature of its business, National Western engages in business dealings with its customers primarily through its domestic agents and international brokers (hereinafter, “agents”). Therefore, all agents are required to follow National Western’s policy and procedures with respect to compliance with all applicable U.S. anti-money laundering laws.

Agents must not engage in, or facilitate others engaging in, money laundering activities regardless of whether National Western’s products or services are involved.

In addition to the duties described in the Agent’s Procedure (Rules and Regulations) Manual, agents of National Western have the following responsibilities:

- Agents must ensure that, in the application and supporting documents, *all* questions are answered and *all* information requested is given. Agents should understand that incomplete applications will be returned immediately for completion, thereby resulting in processing delays.
- Agents must closely scrutinize all transactions involving “red flags,” which are specifically defined below. Notify National Western immediately if you detect any of these red flags so that the Company can determine whether a Suspicious Activity Report must be filed with the U.S. Department of the Treasury.
- Confidentiality: If a suspicious transaction is reported by National Western to the U.S. government pursuant to the requirements of federal law regarding Suspicious Activity Reports, **the Company and its agents are prohibited by law from disclosing to the customer, or any person involved in the suspicious transaction, that the transaction was reported.**
- Agents must give heightened scrutiny to the receipt of cash or cash equivalents in excess of \$10,000 for the sale of National Western’s products. For the purpose of reviewing transactions, the term “cash” includes U.S. and foreign coin or currency, while “cash equivalents” include cashier’s checks, bank drafts, traveler’s checks, and money orders that meet the definition of cash under the U.S. Internal Revenue Code (described more fully below). Agents must also comply with local law requirements (if the threshold amount for the review of cash transactions is lower under local law than under U.S. law, agents should use such lower amount as a trigger for heightened scrutiny).

*Notice:* The U.S. Treasury Department’s Office of Foreign Assets Control (OFAC) maintains a List of Specially Designated Nationals and Blocked Persons (SDN List), which includes, among others, individuals and entities that have been designated as terrorists by the U.S. government for the purpose of economic sanctions laws and regulations (see <http://www.ustrcas.gov/ofac>). As required by U.S. law, National Western will report to OFAC any policy applicant who is on the SDN List. Any premiums received will be blocked immediately.

**Agents must also employ the following procedures under National Western's Anti-Money Laundering Compliance Plan:**

**A. VERIFICATION OF IDENTITY ("KNOW YOUR CUSTOMER")**

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National Western relies on its agents to verify the identity of its customers. Consequently, agents of National Western have several responsibilities with respect to customer identification.

Agents must identify customers on the basis of an official identifying document and record the identity of all customers when establishing business relations. Because no single form of identification can be guaranteed to be genuine, National Western's identification process will be cumulative, requiring agents to obtain enough information and documentation to assure the agent and National Western that the customer has been adequately identified.

Agents must, at a minimum, ensure that all information required in the policy application is complete and accurate and must obtain and record the following information about each customer as part of the application process:

- ✓ Full name
- ✓ Taxpayer identification number or a national identification card number
- ✓ Address
- ✓ Telephone number
- ✓ Occupation
- ✓ Date of birth

In order to verify the accuracy of the information provided by the customer, agents must:

- Visibly compare a photograph contained in a valid government-issued identification (driver's license, passport, military identification, or other government identification with a photograph of the customer) in an in-person meeting with the customer to confirm that the photograph is that of the customer.
- Compare the customer information on a government-issued identification document with information provided by the customer on the application form. If a government-issued identification does not contain all the information required, obtain other identification from the customer that, while not government-issued, can be used to confirm the identification provided by the customer (such as a utility bill with customer address, expired government identification with picture, or a senior citizen identification).

Agents must undertake reasonable efforts to obtain a copy of the identification document(s) used to verify the customer's identity. If an agent has no access to photocopying equipment, the agent must make a reasonable effort to obtain a copy of the identification document after the issuance of the National Western policy.

By submitting a life insurance, annuity, or Guaranteed Investment Contract (GIC) application to National Western, the agent attests that the customer information on each application is true and accurate based on the agent's verification of the applicant's identity in compliance with National Western's anti-money laundering procedures.

## **B. HIGH-RISK TRANSACTIONS**

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Agents should be aware of the “high-risk” transactions identified in National Western’s Anti-Money Laundering Compliance Plan.

“High-risk” transactions include:

1. Products and transactions identified by the Compliance Administrator and the National Western Compliance Officer as having increased money laundering risk, such as:
  - i. Revocation of life insurance policies within the “free look” period where the customer would receive a refund in excess of \$10,000;
  - ii. Full or partial surrender of life insurance policies after the “free look” period where the customer would receive a refund in excess of \$10,000.
  - iii. Revocation of life insurance or annuity applications after application but before policy issue in which the customer would receive a refund of more than \$10,000 (life) or \$100,000 (annuity).
2. Transactions that have one or more characteristics outlined below (“red flags”) for suspicious cash and non-cash transactions for which agents should be alert.

## **C. RED FLAGS**

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Listed below are certain “red flags” for suspicious cash and non-cash transactions for which agents should be alert. While none of these necessarily signifies that an individual is engaging in money laundering activity, any one of these red flags should be grounds for additional inquiry to protect the Company’s interests and to determine whether the transaction needs to be reported. Moreover, because this list is not exhaustive, employees and agents must be vigilant for other signs of suspicious activity. Notify National Western immediately if you detect any of these red flags so that the Company can determine whether a Suspicious Activity Report must be filed with the U.S. Department of the Treasury.

### **1. General**

- Transactions and activities involving—directly or indirectly—the following:
  - a. policyholders, beneficiaries, or other individuals who are located in or who are citizens or residents of areas designated by the Secretary of Treasury as of “primary money laundering concern” or who are located in or who are citizens or residents of “Non-Cooperative Countries and Territories” (NCCTs) as designated by the Financial Action Task Force; NCCTs have been identified as having critical deficiencies in their anti-money laundering systems or as being unwilling to cooperate in anti-money laundering efforts. An updated list of NCCTs can be found at [http://www1.oecd.org/fatf/NCCT\\_en.htm](http://www1.oecd.org/fatf/NCCT_en.htm) or requested from National Western;
  - b. types of products, classes of transactions, or types of financial institutions designated by the U.S. government as a “primary money laundering concern”; and
  - c. policyholders, beneficiaries, or other individuals who are on the SDN List.
- Transactions that have unusual patterns, no apparent legitimate commercial or other lawful purpose, or that appear to be structured as multiple transactions in order to avoid the reporting requirements (including transactions of unusual size, frequency, or nature, such as one in which a customer requests termination or cancellation within one year of inception of a single premium policy, especially when cash was tendered for the policy).

- Transactions that are inconsistent with the normal and expected transactions for a particular customer or for customers in the same or similar categories or classes, including transactions that are incompatible with the customer's normal activity or are beyond the customer's apparent financial means (e.g., a customer requests a single premium contract for a large sum).
- Requests for claim payments to a person other than the insured or the named beneficiary.
- A request from the customer that a transaction be processed in such a manner so as to avoid the normal documentation requirements.

## **2. Source and Character of Funds**

- Money originates from bank accounts located in off-shore banking havens, such as the Cayman Islands, the Turks and Caicos Islands, the Channel Islands, Bermuda, and the Seychelles, or any of the countries or territories identified on the Non-Cooperative Countries and Territories list or as of primary money laundering concern.
- Monetary instruments from different branches or different institutions in amounts under \$10,000 on contemporaneous or closely related days.
- Money orders purchased in large quantities on contemporaneous or closely related days at different branches or different institutions.
- Cash in large quantities.

## **3. Annuities and Life Insurance**

- Money is deposited beyond the premium value of the policy, and the money is subsequently removed in the form of loans, which are never repaid.
- Overpayment of premiums with a request to refund the excess to a third party or to a bank account in a different country.
- Assignment of a policy to an unidentified third party for which no plausible reason can be ascertained.
- A number of policies taken out by the same insured for low premiums, each purchased for cash and then canceled with instructions to return the premium to a third party.

## **4. Customers**

- The customer is unwilling to provide, or unnecessarily delays providing, account opening information or information routinely provided by a policyholder.
- The customer appears to be acting as an agent for another person or entity but declines, evades, or is reluctant, without legitimate commercial reasons, to provide information about that person or entity.
- The customer manifests unusual concern about secrecy or asks for information about concealing information from government authorities.
- Little or no concern by a customer for the performance of an insurance product, but much concern about the early termination of the product.
- The customer is the subject of a news article about an investigation or an inquiry from a regulatory or criminal investigative agency.

- The customer has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry.

#### **D. REPORTING OF CASH TRANSACTIONS**

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Agents must follow the procedures described in this section to enable National Western to comply with the cash transaction reporting requirements under the U.S. Internal Revenue Code (IRC).

Agents must immediately notify National Western when they receive more than \$10,000 in cash in a single transaction or a series of related transactions for the sale of National Western products. Under the IRC, any entity engaged in a trade or business that receives more than \$10,000 in "cash" in one transaction, or in two or more "related transactions," must file an information return (Internal Revenue Service (IRS) Form 8300). Note that under the IRC's reporting requirements, the term "cash" means the following:

- (a) U.S. and foreign currency, and
- (b) cashier's checks, bank drafts, traveler's checks, or money orders with a face amount of less than \$10,000 if received in any transaction in which the recipient *knows* that the instrument is being used in an attempt to avoid the reporting requirements under the IRC or its accompanying regulations.

The term "related transactions" includes the following:

- (a) any transactions conducted between a customer and National Western or its agents in a twenty-four hour period, and
- (b) transactions conducted during a period of more than twenty-four hours if National Western or its agent has reason to know that each transaction is one of a series of connected transactions. For example, payment of a premium in cash over a period of days, weeks, or months for a single insurance product would be considered related transactions; a report would have to be filed when the aggregate total payment exceeded \$10,000 in "cash" even if no single payment were over \$10,000.

When National Western is required to file a Form 8300, agents must verify the identity of the customer from whom the cash was received:

1. For a non-U.S. citizen, agents must examine the customer's passport, alien identification card ("green card"), or other official document evidencing nationality or residence.
2. For a U.S. citizen, agents must examine a document normally acceptable as means of identification (e.g., a driver's license).
3. Agents of National Western must also identify the principal if the agent knows, or has reason to know, that the customer conducting the cash transaction is serving as another person's agent.

The reporting requirement encompasses cash received by National Western's agents outside the United States; thus, National Western would have to report the receipt of cash exceeding \$10,000 in value in one transaction or in two or more related transactions by an agent in any country for the purchase of a National Western product.

If an agent intends to physically transport or mail to the United States a check issued by National Western or another U.S. entity and made payable to the agent for the amount of the commission, the agent must endorse the check with a restrictive endorsement (e.g., "Pay to National Western Life Insurance Company") before mailing or transporting the check.

## E. TRAINING AND CERTIFICATION OF COMPLIANCE

**By accepting the role of an agent for National Western, each agent accepts duties and responsibilities to comply fully with National Western's anti-money laundering policy and procedures.**

*Agents currently contracted with National Western:*

All agents will receive training describing the Company's anti-money laundering policy and compliance procedures with respect to its agents via an online course. At the end of the course, agents must execute the Certification of Compliance page, certifying that training has been completed. If an agent is unable to access the course online, he or she will receive the material through an alternative means (email, fax, etc.) but must still execute the Certification of Compliance page and return the executed copy to the Company.

*New agents (contracted with National Western subsequent to the training deadline for current agents):*

All new agents will receive a hard copy of the training material described above with their contracting kits. Each agent must execute the Certification of Compliance as part of the new agent appointment process. The Certification of Compliance is located in the Agent Data Sheets for both domestic and international agents.

## V. DISCIPLINARY ACTION

National Western may impose disciplinary measures against its agents for actions not in compliance with National Western's anti-money laundering policy and procedures, including but not limited to **verbal warning, termination, and notification of law enforcement authorities.**

Whether to impose any or a combination of such disciplinary actions is within National Western's sole discretion, and the Anti-Money Laundering Compliance Plan does not create any rights for any agent. National Western will enforce the compliance program in a consistent manner, imposing appropriate disciplinary action and taking into account any mitigating or aggravating circumstances.

## VI. CONCLUSION

National Western and its agents share an important responsibility to comply with the Company's Anti-Money Laundering Compliance Plan and all applicable anti-money laundering laws. Violation of federal anti-money laundering laws can expose those responsible to substantial civil and criminal penalties, including—but not limited to—fines and imprisonment. If an agent suspects that a customer may be using National Western's products for money laundering activities, the agent must inform the Company immediately before taking any further action.

**International agents: Any reporting required of agents under this program may be made to the International Client Services Department in writing via email at [intpos@globalnw.com](mailto:intpos@globalnw.com) or via fax (512-719-8521), which will then be submitted to the Compliance Department.**

**Domestic agents: Any reporting required of agents under this program may be made to the Compliance Department in writing via email at [AMLReporting@nationalwesternlife.com](mailto:AMLReporting@nationalwesternlife.com) or via fax (512-719-8503).**

Please direct any questions that you may have concerning this training material to National Western's Marketing Departments (domestic: 800-760-3434; international: 512-719-2433).

**Note: Please sign the Certification of Compliance in the Agent Data Sheet.**