

Producer's Guide to Anti Money Laundering

As an insurance producer, your skills and services help clients achieve financial success and security. Because you are on the front lines of a multi-billion-dollar industry, you are in a unique position not only to serve clients but also to serve the country by helping to prevent money laundering and the financing of terrorist activities.

To comply with new federal Anti Money Laundering (AML) regulations for insurance companies, Midland National Life Insurance Company has adopted a detailed Anti Money Laundering program. You have an important role to play in that program. As a person who deals directly with customers, you will often be in a critical position to obtain information regarding the customer; the customer's source of funds for the products you sell; and the customer's reasons for purchasing an insurance product.

In order to sell individual annuities and life insurance, the company's Anti Money Laundering program requires you to do the following:

1. Ensure that all the information on the application is correct and associated documents are accurate and complete.

Records of this information must be retained as long as the contract remains in force and for five years thereafter.

Customers Who Resist Providing Information: If a customer resists providing information, notify your AML Compliance Committee.

2. Notify us if you detect any money-laundering red flags so that the Company can determine whether a suspicious activity report (SAR) must be filed with the U.S. Department of the Treasury. Red flags include, but may not be limited to, the following:

- the purchase of a product that appears to be inconsistent with a customer's needs
- the purchase or funding of a product that appears to exceed a customer's known income or liquid net worth
- any attempted unusual method of payment, particularly by cash or cash equivalents such as money orders
- payment of a large amount broken into small amounts
- little or no concern by a customer for the performance of an insurance product, but much concern about the early termination features of the product
- the reluctance by a customer to provide identifying information, or the provision of information that seems fictitious
- any other activity which you think is suspicious

THE COMPANY'S AML COMPLIANCE COMMITTEE HAS THE SOLE RESPONSIBILITY FOR RESPONDING TO ANY INQUIRY REGARDING THE SUBJECT MATTER OF ANY SAR. AN AGENT OR BROKER MUST NOT, UNDER ANY CIRCUMSTANCES, DISCLOSE THE FACT THAT A SAR HAS BEEN FILED OR CONSIDERED OR DISCLOSE THE CONTENTS OF A SAR TO THE SUBJECT OF A SAR OR TO ANY THIRD PARTY. TO DO SO WOULD VIOLATE FEDERAL LAW.

Below is a list of the most recent acceptable and not acceptable forms of payment, as of May 2006:

Acceptable	Not Acceptable	
<ul style="list-style-type: none"> • Personal Check • Certified Check • Electronic Fund Transfer • Cashiers' Check 	<ul style="list-style-type: none"> • Agent or Agency Check • Money Order • Traveler's Check • Cash 	<ul style="list-style-type: none"> • Generic Checks • Third Party Checks • Starter Checks

Acceptable forms of payment may change from time to time. Please refer to the Producer's Guide to Anti Money Laundering Web page (located in the Compliance section of www.mnlife.com/LifeSupport) for the most recent listing of acceptable forms of payment.

If a customer provides a form of payment that is not permitted, it should be returned immediately.

3. **Receive periodic Anti Money Laundering training.** Acceptable methods of training may include but are not limited to the following:

- (1) AML training course provided by LIMRA International, Inc.;
- (2) For representatives of a broker/dealer with which we have an effective selling agreement, Midland National Life will accept the completion of the broker/dealer's AML training for purposes of satisfying the AML training requirement;
- (3) For agents who are appointed with another insurance company and have completed the other insurance company's AML training program, Midland National may accept a signed certification from the AML Compliance Officer that it has an AML program as mandated by the USA PATRIOT Act and that its agents have received AML training in accordance with that program; or,
- (4) If the agent is not directly affiliated and supervised by a broker/dealer or insurance company, Midland National may accept confirmation that this person has received AML training at the discretion of the AML Compliance Committee.

Midland National will be utilizing the course provided by LIMRA International. Please go to the following web page to access the course: <http://aml.limra.com>. Your username is the first four characters of your last name together with the last six digits of your Social Security Number or Tax ID number or both if you are contracted under both. As a first-time user the password is your last name. Please note, both the username and password are entered in lower-case characters only. If you require assistance logging into LIMRA please contact their technical support line: 866-364-2380 and LIMRA will assist you. If LIMRA's Customer Service Representative informs you that you cannot log onto their site because your name does not appear in their database, you should contact your Contracting and Licensing Department.

Please note, you **will not** receive a paper certificate upon completion of the course. The Home Page shows what percentage of the course you have completed. If your Progress is less than 100%, you did not complete the entire course. When your Progress is 100%, you have completed the entire course. **You do not have to notify our office when you complete the AML Training Course.** LIMRA will provide us with a report informing us that you have completed the course.

The company and its producers share an important responsibility to comply with the company's AML program and all applicable Anti Money Laundering laws. A failure to do so will constitute grounds for discipline up to and including termination. In addition, violation of Anti Money Laundering laws may expose those involved to substantial penalties under federal law.

If you have questions regarding the USA PATRIOT Act and Midland National's Anti Money Laundering Policy, please contact the AML Compliance Committee at 1-866-384-0384.

Contract Application for

 General Agent

 Agent


5263

Last Name	First Name	M.I.	Birthdate			Age	Sex	Social Security Number	Nickname
			<small>Month</small>	<small>Day</small>	<small>Year</small>				
Residence Address (Street, City, State, County, Zip)								Residence Telephone ()	
Business Address (Street, City, State, County, Zip)								Business Telephone ()	
Lived at Residence Address <small>Years Months</small>		Former Address (Street, City, State, Zip)						Fax Telephone ()	
Name of Spouse				Professional Designations: <input type="checkbox"/> CLU <input type="checkbox"/> ChFC <input type="checkbox"/> LUTCF <input type="checkbox"/> CFP <input type="checkbox"/> Other: _____					
Email Address (Required)									
Contract Name: <input type="checkbox"/> Individual <input type="checkbox"/> DBA <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation (If Corporation, complete Corporate Addendum)				Tax ID Number			Contract Name if other than individual		
WORK HISTORY - Please indicate other insurance companies with whom you do business								Annual Earnings	
a.								\$	
b.								\$	
c.								\$	

PLEASE RESPOND TO ALL QUESTIONS FOR YOU PERSONALLY AND ANY ORGANIZATION OVER WHICH YOU HAVE EXERCISED CONTROL. A "YES" REQUIRES A WRITTEN EXPLANATION ON A SEPARATE SHEET OF PAPER.

- Yes No 1. Have you *ever* been convicted, pled guilty or nolo contendere, or do you have pending charges to a felony or misdemeanor? If yes, attach a copy of the court records.
- Yes No 2. Have you *ever* had an insurance license or securities registration denied, suspended or revoked by an insurance department, the NASD or any other regulatory agency?
- Yes No 3. Have you *ever* had any regulatory action taken against you by any insurance department or the NASD?
- Yes No 4. Have you *ever* had a complaint filed or do you anticipate a complaint being filed against you by a consumer, an insurance department, the NASD or any other regulatory agency?
- Yes No 5. Have you *ever* had a contract or appointment terminated involuntarily by an insurer or a NASD member firm?
- Yes No 6. Do you have past due child support obligations, any unsatisfied judgments, liens or any delinquent state or federal tax obligations?
- Yes No 7. Have you *ever* been subject to a bankruptcy proceeding?
- Yes No 8. Has an insurer, insured, or other person made any demand against you for overdue monies as a result of an insurance transaction or business?
- Yes No 9. Are you currently involved or *ever* been involved in litigation or have you *ever* had any claim made against you, your errors and omissions insurer, or your surety company, arising out of insurance sales or practices or have you been refused surety bonding?
- Yes No 10. Do you have Errors and Omissions (E&O) Insurance of at least \$1,000,000 per claim/\$1,000,000 aggregate? If yes, please attach a photocopy of carrier's policy declaration page. (Required by Midland National).
- Yes No 11. Are you currently licensed in your resident state? If yes, please attach photocopy.
License Number _____
- Yes No 12. Are you currently licensed as a non-resident in any state? If yes, please attach photocopy of state license if you wish to be appointed. (If fees are required, Midland will charge your commission account for the cost of a non-resident appointment.)
- Yes No 13. Are you NASD Securities Registered? If yes, who is your current broker dealer? _____

AML TRAINING

Yes No 14. Have you completed Anti-Money Laundering (AML) training? If yes, and training was provided through a source other than LIMRA, please attach a photocopy of the Certificate of Completion for this training (please note training other than LIMRA must be reviewed and approved by the AML Compliance Committee). If LIMRA training has been completed, Midland will receive this information directly from LIMRA.

Additional Comments:

CONDITIONS AND AGREEMENTS - By signing this application, I hereby acknowledge I have read a specimen copy of the proposed contract and all applicable supplements and addendums thereto to be entered into between myself and Midland National Life (Midland). I agree to be bound by all of the terms and conditions of such contract, supplements and addendums, a personalized copy to which will be subsequently forwarded to me by Midland. I agree not to solicit business until I have been notified by Midland that I am authorized to do so. I represent and warrant that all information and answers to questions are true and complete. Any marketing materials which have not been provided by Midland must be approved by Midland prior to their use. I understand that any specimen sales brochures and material I have received are provided only for my personal examination of product provisions and rates.

I understand that the Fair Credit Reporting Act requires Midland to notify me that, as a routine part of processing my contract application, a consumer report may be obtained which may include information bearing on my credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living. I authorize Midland or any of its affiliates¹ to obtain a consumer report and Vector One report in connection with this contract application. I further authorize Midland or any of its affiliates or their duly authorized representatives to contact any organization or individual who has knowledge of my employment history, credit history, financial status, or record of any illegal activity to (a) obtain a record of such history, status or activities and (b) hereby authorize the release of such information by such organization or individual in connection with this application and (c) authorize Midland or any of its affiliates to release information about any debit balance I may incur to Vector One, its successors, or any organization designated to replace Vector One. This authorization shall remain valid and in effect during the term of your contract. We reserve the right to obtain subsequent consumer reports and/or investigative consumer reports on an as-needed basis.

To help fight the funding of terrorism and money-laundering activities, the U. S. government passed the USA PATRIOT Act, requiring financial institutions including insurance companies, to obtain, verify and record information that identifies persons who engage in certain transactions with or through our company. This means that we will verify your name, address, date of birth and social security number or other tax identification number. We may also request to see a driver's license, passport or other identifying documents from you.

¹Affiliate means any company owned, directly or indirectly, by Sammons Financial Group, Inc.

Applicant Signature	Date
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I have reviewed the above application and I hereby recommend this agent's contract with Midland National Life Insurance Company.

GA/RSD Signature	1YE3 NWFG, LLC
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DIRECT DEPOSIT AUTHORIZATION FORM

1. Mark the appropriate box specifying that your Compensation will be deposited to either your checking account or savings account.
2. Complete the requested information about you, your financial institution, and your account.
3. **Attach a voided check** for verification of all financial institution information.

NOTE: Please make sure you sign the form.

DIRECT DEPOSIT AUTHORIZATION - Please Complete and return to Field Administration

For each compensation period, I authorize you and the financial institution listed below to automatically deposit my Compensation amounts to my:

- Checking Account (**Attach a voided check.**)
- Savings Account (**Obtain documentation from your bank with bank's routing number and your account number**)

Should an inappropriate deposit be made, the financial institution is authorized to make debit entries to my account and return to the Company the amount of any such overage. This authority will remain in effect until I have cancelled it in writing.

 TRANSIT ROUTING NUMBER

 AGENT NAME (PLEASE PRINT) MNL CODE #

 ACCOUNT NUMBER

 FINANCIAL INSTITUTION NAME

 BRANCH

 BANK PHONE #

 CITY

 STATE

 AGENT SIGNATURE

 DATE



AGENT CONTRACT CHECKLIST

Thank you for your interest in Midland National Life. When submitting an Agent Contract Application, please attach the following:

- Contract Application**, Form 5263, completed and signed by the applicant and General Agent.
- A photocopy of the applicant's current **resident life license**. If the applicant wants to be appointed in additional states, attach a copy of the non-resident license(s). If fees are required, Midland will charge the agent's commission account for the cost of a non-resident appointment.
- Proof of Errors and Omissions Insurance**. All agents must carry a minimum of \$1,000,000 per incident and \$1,000,000 aggregate per year E&O Insurance. This can consist of an application for Midland -Sponsored E&O, notice the agent is contracting with our Broker/Dealer, or an E&O policy declaration page from another provider. For more information to enroll with Midland National Life's Errors & Omissions Program, please request form 5649 or call AON Association Services at 1-800-621-0711.
- Direct Deposit** of earnings is required. Complete Form 5784. Please attach a voided check. (Please use form 6007 if you are requesting annualization.)
- Anti-Money Laundering (AML) Training**: Federal regulations require that you complete AML Training on an annual basis. Midland National uses LIMRA for this training.
 - 1) If you have completed training through LIMRA during the past calendar year, we will be notified by LIMRA that you have satisfied the requirement.
 - 2) If you have a contract with Midland National through your broker-dealer, AML training completed through the broker-dealer is acceptable.
 - 3) If you have completed training outside of those listed above please submit your Certificate of Completion for review.
- If the applicant is a corporation, include a **Corporate Addendum**, Form 3747, needs to be included with the application. If required by the state, also submit a copy of the corporation's state insurance license.

NOTE: Each principal/officer of the corporation who will be soliciting business under the corporate arrangement should submit Contract Applications in their individual name. In addition, Absolute Assignments are required to enable proper commission reporting. Please include the Federal Tax Identification Number.

- a) The Addendum must list all stockholders of the corporation. If more than four stockholders, list four largest stockholders.
- b) Percent of stock held must equal 100 percent.

If you have any questions, feel free to contact the Contracting and Licensing Department at Extension 32280.

NOTICE REGARDING CONSUMER REPORTS

In connection with your application for an agent's contract with Midland National Life Insurance Company ("Midland"), Midland may obtain one or more reports regarding your credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, and/or mode of living from Business Information Group and Vector One. If Midland plans to use any information in a consumer report in a decision not to contract with you or to make any other adverse contracting decision regarding you, we will provide you with a copy of the credit report upon which its decision was based and a written summary of your rights under the Fair Credit Reporting Act before it takes any adverse action. If any adverse action is taken against you based upon a consumer report, Midland will notify you that the action has been taken and that the consumer report was the reason for the action.