

## Responsibilities Of Agents And Brokers Under The Program

An agent or broker is responsible for performing the following responsibilities with respect to any transaction involving any of the Company's "covered products". "Covered Products" as applied to the insurance industry are defined to mean:

1. A permanent life insurance policy, other than a group life insurance policy;
2. An annuity contract, other than a group annuity contract; and
3. Any other insurance product with cash value or investment features.

The Producer Guide will be made available to each agent and broker, substantially in the form attached below, notifying him or her of these obligations. A failure to comply with these responsibilities will be grounds for discipline up to and including termination and cancellation of the agent or broker's appointment. In addition, violation of anti-money laundering laws expose those involved to substantial penalties under the Federal law.

### **a. Customer Due Diligence**

- i. **General Responsibilities.** Agents and brokers are responsible for obtaining and providing complete and accurate information in all applications and other documentation required for the issuance of a covered product or a transaction involving a covered product. Agents and brokers are also responsible, in cooperation with the Compliance Officer responsible for this AML program, for performing any due diligence necessitated by the presence of any red flags that may arise concerning a "covered product."
- ii. **Customers Who Resist Providing Information.** The Company may decline to do business with customers who refuse to provide the information described above as requested, who appear to have provided false or misleading information, or whose information cannot be verified. In cases of refusal or false or misleading information, the AML Compliance Officer should be notified so that a determination can be made as to whether a Suspicious Activity Report should be filed. The company may also make a risk-based decision on clients whose information could not be verified based on the quality of the information available and the circumstances of the client interaction.

### **b. Forms of Payment**

- i. The Company will accept only bank checks and wire transfers from United States financial institutions as payment for annuity products. No cash or money order payments will be accepted.
- ii. Agents and brokers have the following responsibilities with respect to these standards:

1. Agents and brokers should communicate the restrictions on acceptable payment to his/her customers in advance of accepting payment.
2. If a customer gives the agent or broker an unacceptable form of payment, the agent or broker should explain what forms of payment are acceptable and return the unacceptable payment immediately.
3. If the agent or broker encounters difficulty dealing with a customer regarding this Policy, he or she should call either the AML Compliance Officer or the designated relationship manager (if a third party agent or broker) for assistance.

**c. Training Programs for Agents and Brokers**

- i.* Agents and brokers will be trained in the Company's AML program. Agents may be trained through one or more of the following methods:

They may take an AML training course recognized by the Company as providing the education and training required by the Act.

1. If the agent is also a registered representative of broker/dealer, an agent with another insurance company, or a representative of a bank, with its own AML course, the Company will accept certification of completion of that organization's AML training program. However, the Company will decide upon the validity of the training program. If the program is insufficient the agent/broker shall participate, and provide proof thereof, in the Company's recognized training program.
2. If the agent is not directly affiliated with and supervised by a broker/dealer, insurance company, or bank, the Company may accept certification that this person has received AML training at its own discretion. If the Company deems the program to be insufficient, the agent/broker shall participate, and provide proof thereof, in the Company's recognized training program.

**d. Cooperation with Testing of AML Program**

- i.* As required by federal law the Company will conduct independent testing as to the effectiveness of its anti-money laundering program, including the compliance of its agents and brokers. Agents and brokers are required to cooperate with testing.

**e. Confidential Reporting of AML Non-Compliance**

- i. Agents, brokers, and insurance company employees should report any violations of AML compliance procedures to the AML Compliance Officer, unless violations implicate the Compliance Officer, in which case reports shall be made to the Delphi Ethics Hotline at 877-888-0002. Any such reports will be confidential.