

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

**HARDSHIP REQUEST FOR EXEMPTION FROM MORATORIUM**

**Updated August 1, 2019**

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 Sworn 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.** 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.
- **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.
- Please note that original documents will not be returned.
- **Hardship Request Form;** and/or
- **Annuitization Form** if requesting annuitized funds.

**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](mailto: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 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

**ANNUITIZATION FORM: BENEFIT PAYMENT REQUEST**

**\*Complete the next two pages if you are requesting annuitized funds.**

**Company Name:** \_\_\_\_\_

**Contract Number:** \_\_\_\_\_

Please complete each section where “>” is shown.

I authorize the value of this contract to be paid in the form of an Annuity Benefit.

➤ **BENEFIT OPTION ELECTED:**

- LIFE EXPECTANCY: Level payments
- LIFE EXPECTANCY: Interest plus \$10.00 with Balloon Payment
- \_\_\_\_\_% increase per year (maximum 15%) for \_\_\_\_\_ years period certain.
- Life Annuity payments with Period of \_\_\_\_\_ Months Certain  
*Pays monthly income payments for as long as the annuitant lives, with payments guaranteed for a certain period.*
- Certain Period Only for \_\_\_\_\_ Months  
*Pays monthly income payments for a set period of time only.*
- Life Only Annuity \$ \_\_\_\_\_  
*Pays monthly income payments for the life of the annuitant only.*

➤ **PAYMENT FREQUENCY (After election, frequency may not be changed):**

- Monthly
- Quarterly
- Semi-annually
- Annually

***Please Note: Once a payment election is made, there can be no change in payment period.***

➤ **FEDERAL TAX WITHHOLDING FOR PERIODIC DISTRIBUTIONS  
TO BE COMPLETED ONLY FOR TAXABLE GAIN**

- I elect NOT to have Federal income tax withheld from monthly annuity payments.
- I elect to have Federal income tax withheld from monthly annuity payments.  
If taxes are to be withheld, please choose one option below:
  - \_\_\_\_\_% to be withheld
  - \$ \_\_\_\_\_ amount to be withheld

➤ **PAYEE – THE ANNUITY BENEFIT IS TO BE MADE PAYABLE TO:**

- Owner
- Other \_\_\_\_\_
- Payee is irrevocable

➤ BENEFICIARY DESIGNATION (DO NOT COMPLETE IF LIFE ONLY OPTION):

Beneficiary of any proceeds payable as a result of death prior to the expiration date of period certain shall be:

Primary Beneficiary:

Relationship: \_\_\_\_\_

Address: \_\_\_\_\_

SSN: \_\_\_\_\_

If living, share and share alike, otherwise to:

Secondary Beneficiary:

Relationship: \_\_\_\_\_

Address: \_\_\_\_\_

SSN: \_\_\_\_\_

Or to the survivors or survivor of the above-named beneficiaries, if more than one is named.

➤ SIGNATURES AND DATES:

This form is dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

City: \_\_\_\_\_

State: \_\_\_\_\_

Owner Signature \_\_\_\_\_

Owner DOB: \_\_\_\_\_

Owner SSN: \_\_\_\_\_

Owner Address: \_\_\_\_\_

Joint Owner Signature \_\_\_\_\_

Joint Owner DOB: \_\_\_\_\_

Joint Owner SSN: \_\_\_\_\_

Joint Owner Address: \_\_\_\_\_

Witness Signature \_\_\_\_\_

Home Office Use - Please do not write in this area:

Recorded at the Companies

By: \_\_\_\_\_

Date: \_\_\_\_\_

**SWORN STATEMENT OF FACTS – (use 2<sup>nd</sup> page if necessary)**

Printed Policyholder Name \_\_\_\_\_ Signature \_\_\_\_\_

State of: \_\_\_\_\_

County of: \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 2019, before me personally appeared, \_\_\_\_\_, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires: \_\_\_\_\_  
\_\_\_\_\_  
Notary Public