

## DISCLOSURE REQUIREMENT FOR PRE-NEED POLICIES

If under the pre-need policy at any point in time over the term of the policy, the cumulative premiums paid exceed the face amount of the policy, the Department requires that the disclosure found in Attachment A be provided. Nonguaranteed inflationary benefits may not be considered in determining whether the cumulative premiums exceed the face amount. Alternative disclosure wording may be used if filed with the Department for acceptance prior to use.

When the applicant is the prospective insured, the disclosure must be given to the prospective insured no later than the time that the application form is signed.

When the applicant is a family member or friend with a power of attorney to apply for insurance, the disclosure must be given to the family member or friend not later than the time that the application form is signed. When the applicant is a funeral director or trustee with a power of attorney to apply for insurance, the disclosure must be provided by the insurer to the prospective insured on a timely basis as soon as possible after the application is signed by the funeral director or trustee.

The disclosure may not be made part of the disclosure statement required by 31 Pennsylvania Code, Chapter 83, Disclosures in Solicitation of Life Insurance, or of any policy illustration.

Provide a certification from a company officer that the above disclosure will be given as required.

## ATTACHMENT A

### IMPORTANT INFORMATION ABOUT YOUR POLICY

**The total premium(s) you pay for your policy may be more than the amount of your coverage (the face amount).** You can find both the face amount and the premium in your policy. Look for the page labeled “[insurer: use applicable label].”

- \* Usually, you can figure out how many years it will take until the premiums paid will be greater than the face amount. For an estimate, divide the face

amount by the annual premium.

- \* Ask your insurance agent or your insurance company if you have any questions about your premiums, your coverage, or anything else about your policy. If your agent isn't available, contact your company at [telephone number, address and website (if available)].

### **IF YOU CHANGE YOUR MIND...**

- \* You can get a full refund of premiums you have paid if you return your policy and cancel your coverage. You must do this within the number of days stated in the Right to Examine policy provision appearing on the cover page of your policy. To return the policy for a full refund, return the policy to the insurance agent or the insurance company.
- \* If you stop paying premiums or cancel your policy after the time that a full refund is available, you have specific rights. Ask your insurance agent or your insurance company about your rights.