



Important Notice: Replacement of Life Insurance or Annuity

You are contemplating the purchase of a life insurance policy or annuity contract. In some cases this purchase may involve discontinuing or changing an existing policy or contract. If so, a replacement is occurring.

Financed purchases are also considered replacements.

A replacement occurs when a new policy or contract is purchased and, in connection with the sale, you discontinue making premium payments on the existing policy or contract, or an existing policy or contract is surrendered, forfeited, assigned to the replacing insurer, or otherwise terminated or used in a financed purchase.

A financed purchase occurs when the purchase of a new life insurance policy or an annuity contract involves the use of funds obtained by the withdrawal or surrender of or by borrowing some or all of the policy values, including accumulated dividends, of an existing policy, to pay all or part of any premium or payment due on the new policy. A financed purchase is a replacement.

You should carefully consider whether a replacement is in your best interest. You will pay acquisition costs and there may be surrender costs deducted from your policy or contract. You may be able to make changes to your existing policy or contract to meet your insurance needs at less cost. A financed purchase will reduce the value of your existing policy and may reduce the amount paid upon the death of the insured.

We want you to understand the effects of replacements before you make your purchase decision and ask that you answer the following questions and consider the questions on the following pages.

1. Are you considering discontinuing making premium payments, surrendering, forfeiting, assigning to the insurer, or otherwise terminating your existing policy or contract? Yes No
2. Are you considering using funds from your existing policies or contracts to pay premiums due on the new policy or contract? Yes No

If you answered "Yes" to either of the above questions, list each existing policy or contract you are contemplating replacing (include the name of the insurer, the insured or annuitant, and the policy contract number if available) and whether each policy or contract will be replaced or used as a source of financing:

	INSURER NAME	CONTRACT OR POLICY #	INSURED	REPLACED (R) OR FINANCING (F)
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____

Make sure you know the facts. Contact your existing company or its agent for information about your existing policy or contract. [If you request one, an in force illustration, policy summary or available disclosure documents must be sent to you by the existing insurer:] Ask for and retain all sales material used by the agent in the sales presentation. Be sure that you are making an informed decision.

I certify that the responses herein are, to the best of my knowledge, accurate:

X _____
 Applicant's Signature Printed Name Date

 Agent's Signature Printed Name Date

I do not want this notice read aloud to me. _____ (Applicants must initial only if they do not want the notice read aloud)

A copy of this form must be provided to the applicant.

American Savings Life Insurance Company

Important Notice Regarding Replacement of Life Insurance Policy or Annuity

Please explain specific reason for replacing existing policy or contract:

You SHOULD NOT take action to terminate, assign or alter your existing life insurance coverage until you have been issued the new policy, examined it and have found it to be acceptable to you.

Remember, when a replacement is involved, the policy owner has the right to return the policy within thirty (30) days of delivery of the contract and receive a full refund of all premiums.

A replacement may not be in your best interest, or your decision could be a good one. You should make a careful comparison of the costs and benefits of your existing policy or contract and the proposed policy or contract. One way to do this is to ask the company or agent that sold you your existing policy or contract to provide you with information concerning your existing policy or contract. This may include an illustration of how your existing policy or contract is working now and how it would perform in the future based on certain assumptions. Illustrations should not, however, be used as a sole basis to compare policies or contracts. You should discuss the following with your agent to determine whether replacement or financing your purchase makes sense:

PREMIUMS:

- Are they affordable?
- Could they change?
- Are they guaranteed on your current policy?
- You are older – are premiums higher for the proposed new policy? On your existing policy?
- How long will you have to pay premiums on the new policy? On your existing policy?

POLICY VALUES:

- Does your current policy pay dividends?
- New policies usually take longer to build cash values and to pay dividends
- Acquisition costs for your existing policy may have been paid; you will incur costs for the new one
- What surrender charges do the policies have?
- What expense and sales charges will you pay on the new policy?
- Does the new policy provide more insurance coverage?

INSURABILITY:

- If your health has changed since you bought your existing policy, the new one could cost you more, or you could be turned down.
- You may need a medical exam for a new policy
- Claims on most new policies for up to the first two years can be denied based on inaccurate statements
- Suicide limitations and contestable periods may begin anew on the new coverage

IF YOU ARE KEEPING YOUR EXISTING POLICY AS WELL AS THE NEW POLICY:

- How are premiums for both policies being paid?
- How will the premiums on your existing policy be affected?
- Will a loan be deducted from death benefits?
- What values from your existing policy are being used to pay premiums?

IF YOU ARE SURRENDERING AN ANNUITY OR INTEREST SENSITIVE LIFE PRODUCT:

- Will you pay surrender charges on your existing contract?
- Do you know the Guaranteed and Current Interest Rates for your current policy and the proposed new policy?
- Have you compared the contract charges or other policy expenses?

OTHE ISSUES TO CONSIDER FOR ALL TRANSACTIONS:

- What are the tax consequences of buying the new policy?
- Is this a tax free exchange? (see your tax advisor)
- Is there a benefit from favorable “grandfathered” treatment of your existing policy under the federal tax code?
- Will the existing insurer be willing to modify your existing policy?
- How does the quality and financial stability of the new company compare with your existing company?