FAMILY BENEFIT LIFE INSURANCE CO.

ADMINISTRATIVE OFFICE:
PO Box 5205 | Frankfort KY 40602-5205
Phone: 866.440.1357 **Fax:** 502.875.7084

Dear Policy Owner:

You recently contacted our office or visited our website for information about cash surrendering your policy. Before completing the surrender process, please review the following frequently asked questions. Please refer to your policy or call our Policy Services team at 800-422-2011 for specific information regarding your policy.

What does cash surrender value mean? This is the sum of money that will be paid to the owner if they choose to terminate their policy. The cash value or surrender value is the amount of savings accumulated by the policy. The cash value is not the same as and is less than the benefit that would be paid upon death. Please refer to the cash value table in your policy for a more detailed illustration or contact our Policy Services team.

Is there a charge to cash surrender a policy? There is a charge for surrendering some types of policies. This surrender charge will be deducted from the cash value paid to the owner.

Will unpaid loan balances be deducted from the cash surrender value? Yes, any outstanding loans and interest due will be deducted from the cash value paid to the owner.

Do I have to pay taxes on cash surrenders? You must pay ordinary income tax on any cash value gains you receive. You should contact your tax consultant on any tax matters. If you surrender the policy and there is a taxable amount, you will receive 1099 from Investors Heritage by the end of January the following year.

If I cash surrender a policy, can I get another life insurance policy in the future? You may or may not be able to qualify for certain types of insurance in the future because qualification is based on factors such as age and health. Also, insurance premiums are based on age and therefore a new policy payment may be higher than your current payment.

What happens to this policy if I cash surrender or make a withdrawal? The withdrawal of funds from your annuity account or life insurance policy may affect the guaranteed elements, non-guaranteed elements, face amount and/or surrender value of the account from which the funds are withdrawn. If you cash surrender (withdraw all funds) the annuity/policy is cancelled and cannot be reactivated after surrender.

Are there options to keep my policy in force without cash surrendering? Policies have different options and there may be options that allow you to stop paying premiums by using the cash value to change your coverage. Please read your policy or contact our Policy Services team to discuss available options.

We value you as a client and encourage you to contact our Policy Services team at 800.422.2011 with any questions you have.

This must be given to the Policy Owner.

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REQUEST FOR CASH SURRENDER VALUE

RESET FORM

POLICY NUMBER INSURED

In exchange for the cash value of the policy shown above issued on the life of the insured named above, I hereby surrender the policy for cancellation. This surrender will be effective on the date this signed form is received at the home office.

As per the policy terms, any debt owed to Investors Heritage Life Insurance Company or its successors will be deducted from the cash value. The remaining cash value will be accepted as full settlement of all rights, claims, and demands under the policy. I understand that my existing policy will not be surrendered until a new policy is issued, if applicable.

Declarations:

- All individuals signing below are of legal age.
- No bankruptcy or insolvency proceedings have been initiated or are pending against any signer.
- No other person, firm, corporation, or entity has any interest in the policy except me.

The Policy is: ☐ **Enclosed** ☐ **Lost** I hereby certify that the policy has been lost or destroyed and I have no knowledge as to its whereabouts.

POLICYOWNER INFORMATION & SIGNATURES

Printed Name | Social Security # (**required**) | Date of Birth **(required)**

Mailing Address | City | State | Zip Code

☐ Home ☐ Cell ☐ Work

Daytime phone

Owner's Signature | Date

Spouse's Signature
(Required in Community Property States: currently AZ, CA, ID, LA, NM, NV, TX, WA and WI) | Date

Joint Owner's Signature | Date

Joint Owner Spouse's Signature
(Required in Community Property States: currently AZ, CA, ID, LA, NM, NV, TX, WA and WI) | Date