

## Advertising Polices and Procedures

### **Information Privacy**

Security Benefit's Privacy Policy is included in application kits and, where applicable, electronic application systems. When working with a consumer in the application process, please ensure the Privacy Policy is provided to the consumer.

### **Information Privacy - Fraud Prevention**

Privacy and the protection of non-public personal information (NPI) is and will continue to be an issue of great importance. The measures taken to ensure NPI is adequately safeguarded and, in the event there is a breach of this information, the prompt actions taken as a result are a focus of the general public, the media, and regulators. Misappropriation and misuse of NPI increases the risk of fraud being committed against our common customers, Security Benefit, your firm, and your financial professionals. For these reasons, protection of customers' NPI is of critical importance.

There are provisions in your selling agreement pertaining to your understanding and acknowledgement that you and your financial professionals must keep NPI confidential and use it only as necessary for the business purpose for which it has been disclosed to you. Further, you must have appropriate physical, administrative and technical safeguards in place to protect this information. Some examples of safeguards include: encryption of your business computers, running antivirus, anti-malware, and anti-spyware programs on your business computers on a regular basis, not saving NPI to portable devices such as a thumb drive, and keeping files in locked cabinets. In addition, you should be mindful of your use of or engagement with third party service providers with whom there may be third party access to NPI.

In the event you believe you have experienced a security breach of Security Benefit customer data, please notify our Chief Compliance Officer, Carmen Hill. Also, if you are required to disclose NPI of a Security Benefit customer in response to a subpoena, court order, statute, rule or regulation, please notify us as well, if permitted to do so by that subpoena, court order, etc.

Similar provisions as the above apply to confidential business information you obtain in your dealings with Security Benefit.

### **Advertising Policy**

The content of advertising and sales materials for fixed and variable annuities and mutual funds is highly regulated. To help ensure compliance, SBL, FSBL and/or Security Distributors ("Us" or "Our") have adopted the following through the terms of your selling agreement with them:

- Only materials that have been created and disseminated by Us are to be used in the presentation for sale of annuity contracts issued or made available by Us.
- Any other materials or requests for use must have written authorization and approval from Us. This includes any materials or advertisements that:
  - Reference Our name(s), or
  - Reference the name(s) of Our product(s); or
    - product(s); or

- Use any of Our trademarks, including our logo, or those of any of Our affiliated companies.
- Failure to obtain Our prior approval may result in termination of your selling agreement.

We also wish to reaffirm that you are welcome to provide a link on your business website to our consumer-approved videos, but we do not permit uploading those videos to YouTube or other video sharing sites.

### **Social Media Use Policy**

We are aware of the increasing use of social media in the marketing and sale of financial services products (including annuities and mutual funds). However, heightened regulation, record keeping requirements, and liability issues all play a part in companies adopting strict policies about social media use. With this in mind, the use of social media to promote or sell Our products is prohibited under the terms of your selling agreement with Us.

### **Telemarketing**

Your selling agreement requires that your firm abide by all applicable local, state, and federal laws and regulations. This obligation includes compliance with the Telephone Consumer Protection Act and other state and federal laws and regulations that prohibit certain practices related to telemarketing. Such prohibited practices include, but are not limited to, using an automated dialing machine or prerecorded messages, advertising via text message, sending unsolicited fax advertisements, and calling a telephone number listed on the national or state do-not-call lists.

### **Replacement Policy**

Accompanying this letter is a copy of our Replacement Policy that you received when you were appointed. Please take time to re-read it. Replacement of life insurance policies and annuities is an ongoing regulatory focus, and we have crafted our Replacement Policy in conformity with applicable laws pertaining to replacements.

### **Best Interest of All Consumers**

The terms of your agreement with SBL require that you act in the best interest of the customer when recommending an annuity, which includes compliance with all applicable disclosure, care, conflict of interest, and compliance obligations, that you have a reasonable basis to believe that an SBL annuity you recommend is in the customer's best interest, and that you maintain documentation that supports each annuity transaction you recommend.

Furthermore, while state insurance regulators and FINRA maintain a focus on the protection of all consumers they have continued their heightened focus on the protection of senior consumers from elder financial abuse/exploitation. Not only can regulators exact harsh penalties against insurers and financial professionals for taking advantage of seniors, the reputational damage to the insurer and the financial professional can be equally severe (if not more so). Security Benefit is committed to ensuring that the products purchased by our customers are appropriate for their financial needs and that our customers understand what they are purchasing – not just because regulators demand this but because it's the right thing to do. We trust that our distribution partners share our commitment to act with integrity at all times in conducting our business.

### **Reminder Concerning Complaints**

If you receive a complaint from a consumer or regulator concerning a Security Benefit annuity, please forward a copy of the complaint immediately to [compliance.lawdept@securitybenefit.com](mailto:compliance.lawdept@securitybenefit.com).

### **Reminder Concerning Prompt Forwarding of Applications and Orders**

There are provisions in your selling agreement pertaining to the forwarding of applications and forms to the designated Security Benefit address promptly. Delivery delays beyond four or five days are generally considered to be outside the range of “prompt delivery,” with the exception of exigent circumstances.

### **Reminder for Those Doing Business in California**

Legislation in California that took effect on January 1, 2019 imposes firm time periods in which an insurer must complete a partial or full surrender from a fixed (including fixed index) annuity contract. The legislation also requires that a consumer be provided a required surrender form within two (2) business days of making a surrender request. A surrender request is defined as any communication from a consumer in California to an insurer or to an insurer’s appointed producer indicating the consumer’s desire to make a partial or full surrender. Given these requirements, we ask that you report any such communications you/your financial professionals receive to Us immediately to help Us fulfill our obligations under this law.

## **Related Resources**

- [Suitability and Compliance](#)
- [Anti-Money Laundering Training](#)
- [NAIC Suitability Model Requirements](#)
- [RegEd](#)