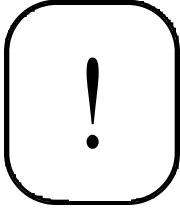


MIDLAND NATIONAL FAX



To: All Midland National Annuity Division Agents

From: Midland National Annuity Division Compliance Department

RE: CAN-SPAM Act of 2003

The U.S. Congress has adopted the CAN-SPAM Act of 2003, and it has been signed into effect as of January 1, 2004. Congress estimated that over half of the emails sent today are unsolicited commercial emails, many of which use fraudulent or deceptive practices. The CAN-SPAM Act of 2003 was created to enforce specific guidelines to forbid such practices.

All email senders should read and thoroughly understand the requirements outlined in this bulletin. A conviction for failure to comply with this Act can result in a felony charge under both the United States and Individual State laws. Depending on the severity of the offense, penalties could include the following

- Imprisonment of 1 to 5 years
- Fines (\$250 to \$2,000,000) + Aggravated Damage Award and court/attorney fees
- Statutory Damages (\$25 to \$1,000,000) + Aggravated Damage Award and court/attorney fees
- Civil Lawsuits
- Restrictions on future transmissions

Unlike the "Do Not Call" or "Do Not Fax" laws with their limited applicability, the CAN-SPAM Act of 2003 applies to all emails. Emails to an existing business relationship are not exempt from this Act. The CAN-SPAM Act of 2003 applies to the following email types sent to either domestic or foreign recipients:

- Advertising or soliciting emails
- Facilitating, completing or confirming a transaction between the recipient and sender
- Notifying the recipient of a change in the product or service
- Notifying the recipient of a change in status (i.e. grace, lapsed, etc.)
- Providing regular periodic information (i.e. account statement, billing information, etc.)
- Providing information relating to employment relationship (i.e. benefit plan info)
- Delivery of goods or services (i.e. product updates, newsletters, brochures, bulletins, announcements, etc.)

The CAN-SPAM Act of 2003 requires the following requirements be addressed in any email prior to sending:

1. Header information and "from" lines must not contain untrue or misleading information. The following are considered unfair and deceptive practices:
 - Sending emails from someone else's computer with the intent to mislead or disguise the person originating the email.
 - Falsified header information with the intent to transmit multiple messages.
 - Use false identity information when registering or setting up a new email account.
 - Setting up multiple email accounts with 2 or more domain names to knowingly transmit the same commercial email.
 - Falsely representing oneself to be the registrant or legitimate user of Internet domain.
 - Header information that does not contain the originating electronic mail address, domain name, or Internet Protocol address.

- The "from line" cannot use a "from identity" that knowingly misleads the recipient from identifying which computer or person the email was sent from.
 - The "from address" cannot be blocked from receiving "reply" responses from the recipient. The originating "from email address" must also be allowed to receive messages for at least 30 days after the date the email was originally sent.
2. The "Subject" line must accurately inform the recipient of the email content.
 - Using subject lines that would knowingly mislead the recipient of the emails is forbidden.
 - Warning Labels must be included in the subject line for any sexually orientated emails.
 3. The email must clearly state its intent for the recipient. (i.e. Advertisement for solicitation, confirmation, notification of status, etc.)
 4. All emails must contain the following information in the body of the email, not as an attachment or hyperlink.
 - The sender's valid physical postal mailing address. Listing only a PO Box is not sufficient.
 - An opt-out provision.
 - This provision can be a drop down menu that allows the recipient to choose which types of emails they no longer wish to receive.
 - It can be instructions to reply to this message asking to be removed or contact a toll-free number to be removed.
 - All requests must be honored within 10 business days of their receipt and be placed on a Master "Do Not Email" list. These include any verbal or mailed in requests also.
 - Agents/Brokers must maintain their own lists, plus check with Midland National prior to emailing other agents/brokers or consumers.
 - If an agent/broker receives a request stating they do not want to receive emails from Midland National specifically, the agent/broker must notify our company to have the email address added to our Master List.
 - Once a business or consumer has elected to opt out, the sender cannot email the recipient again unless the recipient provides the sender with a "affirmative consent".
 - "Affirmative Consent" means the recipient has asked the sender to transmit them information via email.
 - The "affirmative request" can be written or verbal. However, if the recipient requests verbally, the request should be documented.
 - Emails sent per "affirmative requests" must state the information is being provided per their request.
 - Unless specifically requested by the recipient, an "affirmative consent" does not allow the sender to add the recipient back

onto regular email lists/mailings.

5. The CAN-SPAM Act of 2003 also places restrictions on how recipient email addresses are received.
 - Senders cannot harvest email addresses from other Internet or online public forums without consent.
 - Senders cannot randomly generate email addresses using other domain addresses. (i.e. guessing random email addresses using "@yahoo.com")

The CAN-SPAM Act of 2003 also gives authority on both Federal and State levels to enforce this Act.

- Various State Departments can enforce this law under their Unfair or Deceptive Trade Practices Codes. Both the insurance and banking industries were specifically stated.
- This Act also grants the FTC the title as Commission. As the Commission, they have the authority to set up a National Do Not Email Registry within 6 months, and the ability to begin enforcing the registry after 9 months. The Act also allows the FTC to set up procedures, which would reward those who report violators.
- The Act grants the FCC authority to adopt procedures to address similar wireless communications within 270 days.

As already required by our advertising guidelines, any email being used to directly or indirectly solicit for Midland National or our products, must be submitted to the Compliance's Ad Review for approval prior to use. According to this Act, Midland National is also considered liable for any agent/brokers emails sent with the intent to solicit for our company or our products. Therefore, in addition to our other advertising guidelines, all emails will be required to show compliance with the CAN-SPAM Act of 2003 before approval for use will be given.

If you have any questions regarding this bulletin, please contact Suzanne Novotny, Compliance at 877-586-0240 extension 27874.

Emails or other advertising pieces can be sent directly to the Compliance Ad Review mailbox at compliance@mnlife.com or faxed to 312-648-7780.

If you no longer wish to receive emails or faxes from our company, please contact your Marketing Sales Support Department at 877-586-0241.

For more information on how the CAN-SPAM Act of 2003 relates to you as a consumer, please refer to <http://www.ftc.gov/bcp/online/edcams/spam/index.html>.