

Producer Suitability and Best Interest Guide

Introduction

Security Benefit Life Insurance Company (SBL) is committed to providing consumers with insurance products that suit their financial situation, insurance needs, and financial objectives. In furtherance of this commitment, SBL has implemented policies and procedures complying with the NAIC Suitability in Annuity Transactions Model Regulation as adopted by the NAIC in March 2010 (Suitability Model) and the NAIC Suitability in Annuity Transactions Model Regulation as adopted by the NAIC in February 2020 (Revised Suitability Model), and complying with state suitability and best interest requirements. As a result, SBL requires all producers to implement sales practices that ensure compliance with the duties imposed by the Suitability Model or the Revised Suitability Model as well as each respective state's suitability requirements. A copy of the Suitability Model, the Revised Suitability Model, and SBL's alerts on state suitability requirements are posted on our website.

What is the Purpose of this Producer Suitability Guide?

SBL developed this Producer Suitability Guide to inform you of your responsibilities and our responsibilities with respect to suitability and best interest. In addition, this Producer Suitability Guide explains the steps you need to take in making your suitability or best interest determination and offers guidance on making an educated suitability or best interest determination.

What are My Responsibilities?

Under the Suitability Model, you are responsible for having reasonable grounds for believing that each recommendation you make of an SBL annuity is suitable for each client. To be able to do so, you must:

- Make reasonable efforts to obtain your client's suitability information;
- Have adequate knowledge of the SBL annuity or annuities that you are considering recommending to your client;
- Disregard the amount of compensation, bonuses, or other incentives you may receive from SBL as a result of your client's purchase of the SBL annuity;
- Record your reason for recommending the SBL annuity to your client and maintain that record;
- Inform your client of the various features of the SBL annuity you are recommending; and
- Cooperate with our efforts to supervise the suitability of your recommendations, including providing follow-up information as we may require in any review of your transactions.

In addition to the requirements above, under the Revised Suitability Model, you are responsible for acting in the best interest of the client when recommending an SBL annuity. To act in the best interest of the client, you must satisfy obligations of care, disclosure, conflict of interest, and documentation:

Care

- Have a reasonable basis to believe the recommendation effectively addresses the client's financial situation, insurance needs, and financial objectives
- Communicate to the client the basis of your recommendation

Disclosure

Prior to a recommendation or sale, prominently disclose to the client the following:

- A description of the scope and terms of your relationship with the client and your role in the annuity transaction
- A statement on which types of products you are licensed and authorized to sell (e.g., fixed annuities, mutual funds)
- A statement on whether you are authorized or otherwise able to sell insurance products (1) from one insurer, (2) from two or more insurers, or (3) from two or more insurers, although primarily contracted with one insurer
- A description of the sources and types of cash compensation and non-cash compensation you receive, including whether you receive a commission on the sale of an annuity or a fee as a result of a contract for advice or consulting services
- A notice of the client's right to request additional information regarding cash compensation

Conflict of Interest

- Identify and avoid or reasonably manage and disclose to the client any material conflicts of interest



Documentation

- Make a written record of any recommendation and the basis for the recommendation

What are SBL's Responsibilities?

We are responsible for your transactions and for supervising your compliance with state insurance suitability and best interest requirements. This means we will not issue an SBL annuity you recommend unless there is a reasonable basis to believe the annuity would effectively address your client's financial situation, insurance needs, and financial objectives. In addition, we must:

- Inform you of your suitability and best interest requirements, which is the purpose of this Producer Suitability Guide;
- Provide product-specific training and training materials which explain all material features of the SBL annuities;
- Maintain a procedure for reviewing each of your recommended SBL annuity transactions; and
- Maintain reasonable procedures to detect recommendations that are not suitable or not in the client's best interest.

What are Suitability and Best Interest?

Suitability means that your client buys an annuity for the right reasons, with full understanding of the features of the annuity, which includes the annuity benefits, as well as the conditions, limitations, and restrictions on the annuity benefits. A determination as to whether an annuity is suitable for your client or in your client's best interest requires your professional analysis and judgment, based on your client's circumstances. It also requires you to inform your client about the features of the annuity so your client can make an informed decision.

Each client has unique circumstances, and suitability and best interest entail assessing your client's unique circumstances to determine which, if any, annuity meets your client's financial situation, insurance needs, and financial objectives. Thus, because each of your clients' financial situation, insurance needs, and financial objectives differ, no single annuity is right for all your clients.

Additionally, best interest requires that you disclose certain information to your client before or at the time you make a recommendation. These disclosures include the basis of your recommendation, a description of the scope and terms of your relationship with the client and your role in the transaction, the types of products you are licensed and authorized to sell, whether you are authorized to sell insurance products from one insurer or from two or more insurers, a description of the types of compensation you receive, and a notice of the client's right to request additional information. Best interest also requires that you identify and avoid or disclose to your client any material conflicts of interest.

What Client Information Must I Obtain?

Before you can make a recommendation to a client, you must understand your client's circumstances. This means that you must obtain information from your client that will help you assess your client's financial situation, insurance needs, and financial objectives, and reasons for purchasing an annuity. You should also discuss with each client anticipated upcoming life events (such as change in job status, need to care for others, and health status). At a minimum, you must obtain the following information from your clients:

- Age;
- Annual income;
- Financial situation and needs, including debts and other obligations;
- Financial experience;
- Insurance needs;
- Financial objectives;
- Intended use of the annuity;
- Financial time horizon;
- Existing assets or financial products, including investment, annuity, and insurance holdings;
- Liquidity needs;
- Liquid net worth;
- Risk tolerance, including willingness to accept non-guaranteed elements in the annuity;
- Financial resources used to fund the annuity; and
- Tax status.



Please review the information on our website to determine if any state requires additional information to be collected from your clients.

SBL has created three forms, available on our website, for your use in collecting your client's suitability information:

- Annuity Suitability Form ("Suitability Form");
- Financial Inventory Form; and
- Annuity Comparison Form.

Any additional forms required by the state where the annuity is to be issued can also be found on our website.

Do I Have to Use SBL's Suitability, Financial Inventory, and Annuity Comparison Forms?

We require the use of our Suitability Form and Annuity Comparison Form for all applications written for SBL annuities. This will ensure we are provided with the information we need to review your recommendation of the SBL annuity in the least amount of time.

You may use our Financial Inventory Form or that of another carrier. However, our form is designed to obtain the information we will most likely need if we require additional information from you. Thus, if you choose to use another carrier's Financial Inventory form, it may result in delays as you collect the additional information we need.

How Do I Complete SBL's Suitability, Financial Inventory, and Annuity Comparison Forms?

Instructions on how to complete SBL's Suitability, Financial Inventory, and Annuity Comparison Forms are set forth in Appendix A.

Who Should Complete SBL's Suitability, Financial Inventory, and Annuity Comparison Forms?

Your client must provide the information to complete SBL's Suitability Form and Financial Inventory Form. If your recommendation involves an exchange or replacement, your client must also provide the information to complete SBL's Annuity Comparison Form. It does not matter who actually completes the forms. However, your client must have an opportunity to review and sign the completed forms. The client should not sign blank forms.

What if My Client Refuses to Give Me His or Her Information?

In the event your client refuses to provide sufficient information regarding his or her financial situation, insurance needs, and financial objectives, explain to him or her that (1) you need the information to effectively evaluate whether the annuity the client wants to purchase is appropriate based on his or her circumstances, and (2) without the information, SBL will not process his or her application. At SBL, we take our commitment to providing consumers with insurance products that suit their financial needs and objectives very seriously. Thus, we do not allow any application to be processed or annuity to be issued if the appropriate information regarding the client's financial situation, insurance needs, and financial objectives has not been provided.

How Do I Determine if an Annuity is Suitable or in the Client's Best Interest?

In addition to obtaining and understanding your client's suitability/consumer profile information, to make a suitability or best interest determination you must know about annuities generally and have an adequate knowledge of the annuity you are considering for your client. An understanding is necessary for you to assess the features of the annuity, which include the conditions, limitations, and restrictions on the annuity benefits, in order for you to make an educated recommendation to your client.¹

You should then make your determination, using your professional analysis and judgment, based on your understanding of the information provided by your client and the annuities you are considering. You should use that understanding to assess whether:

- You have a reasonable basis to believe the annuity meets your client's financial situation, insurance needs and financial objectives at the time of sale;
- You have a reasonable basis to believe the annuity offers substantial benefits over the life of the annuity; and
- Your client will be able to satisfy the conditions, limitations, or restrictions required to receive the benefits of the annuity.

¹ To facilitate your understanding of the annuity you are considering, SBL requires that you complete certain training. Your training requirements are described below.



Your determination should focus on your client's needs and objectives for both the present and the future. If you determine that an annuity would not help your client meet their needs and objectives, the annuity should not be recommended. The amount of compensation you may receive from SBL as a result of a consumer's purchase of an annuity should not be a factor in your determination and recommendation.

When Might an Annuity be Suitable or in the Client's Best Interest?

Generally, an annuity is suitable for clients or in the best interest of who:

- Have no immediate need for liquidity from the annuity and expect to hold the annuity for at least the length of the surrender charge period; and
- Have sufficient funds and assets available to cover living expenses and in case of emergency, taking into account any reasonably anticipated future changes in income, living expenses, liquid assets, and health care needs.

When Might an Annuity be Unsuitable or Not in the Client's Best Interest?

Examples of unsuitable sales or sales that are not in the client's best interest include:

- A surrender charge schedule that exceeds a client's life expectancy;
- A client purchasing an annuity that ties up too much liquid assets;
- A client purchasing an annuity with proceeds of a loan or reverse mortgage;
- Where the premium is gifted money, i.e., a personal check written by someone other than the applicant.
- A client failing to understand the benefits, features, and limitations of the annuity;
- Replacing an annuity where both the new and old annuities have the same features and benefits; and
- Replacing an annuity where the surrender charges and other fees or market value adjustments of the old annuity outweigh the benefits of the new annuity.

What are the Special Considerations for Exchanges or Replacements?

In considering whether an annuity exchange or replacement may be suitable or in the client's best interest, you must consider whether and how your client will benefit from the exchange or replacement. This includes considering whether your client:

- Will incur a surrender charge;
- Will be subject to the commencement of a new surrender charge period;
- Will lose existing guaranteed benefits (such as death, living, or other contractual benefits);
- Will be subject to increased fees or charges for riders and similar product enhancements;
- Will substantially benefit from the new annuity in comparison to the replaced annuity; and
- Has had another annuity exchange or replacement within the preceding 60 months.

We have created the Annuity Comparison Form to help you assess whether the exchange or replacement is suitable or in the client's best interest. In addition, if your recommendation involves an exchange or replacement, you must comply with SBL's Replacement Policy which is available on our website.

What Kind of Record of My Recommendation Do I Need?

Written records of the discussions held with your client need to be maintained for possible future reference. Most issues arise when your client or their beneficiary wants access to the annuity funds. These records may be called upon to support your recommendation should an issue arise as to why the annuity was recommended.

Your records should include information on your client's financial needs and circumstances and completed copies of SBL's Suitability, Financial Inventory, and Annuity Comparison Forms. Your records should also detail how the annuity recommended meets your client's financial situation, insurance needs, and financial objectives based on your client's circumstances as collected on SBL's Suitability, Financial Inventory, and Annuity Comparison Forms.

Your discussions with your client as to his or her understanding of the features of the annuity, and distribution features in particular, should also be reflected in your records. This includes your client's understanding of any conditions, limitations, or restrictions on receiving funds from the annuity. This will help you ensure that their needs and expectations can be met with the annuity you recommend. For this reason, you should document each conversation and the information discussed and presented.



Under the Revised Model Regulation, you must communicate to your client the basis or bases of your annuity recommendation. You must also make a written record of your recommendation and the basis or bases of your recommendation.

These records should be maintained for at least the term of the contract plus seven years (or longer if required by law).

What Information Do I Need to Give My Client?

In order for your client to make an informed decision about his or her annuity purchase, your client must be reasonably informed of the various features of the annuity. This means that it is not sufficient for your client to be informed only of the benefits. Rather, your client must also be informed of the conditions, limitations, or restrictions on the benefits of the annuity you are recommending. This includes being informed about:

- Other fees and charges or features that may reduce the funds received under the annuity;
- The surrender charge period and surrender charges;
- The potential tax penalty if your client sells, exchanges, surrenders, or annuitizes the annuity;
- Charges for and features of riders;
- Limitations on interest returns;
- Insurance components; and
- Investment components, including the extent to which market risk may impact the value of their benefits.
- Comparison of riders between the contracts.

We have developed a “Statement of Understanding” for each SBL annuity that describes the features of the SBL annuity, including the potential surrender period and surrender charge, potential tax penalty in the event of an exchange, surrender, or annuitization, charges and features of available riders, limitations on interest credits, and market risk. We require that you review in detail with your client the Statement of Understanding for each SBL annuity you recommend, ensure your client understands the features of each SBL annuity, and answer any questions your client may have about those features. In addition, we require that you obtain your client’s signature that he or she has reviewed the Statement of Understanding. We require that you submit the signed Statement of Understanding with the application for the SBL annuity. If it is not received, or if it is not signed, we will return the application and other materials to you as an application “Not In Good Order.”

Additionally, under the Revised Model Regulation, prior to the recommendation of an annuity, you must prominently disclose the following to your client:

- A description of the scope and terms of your relationship with the client and your role in the annuity transaction
- A statement on which types of products you are licensed and authorized to sell (e.g., fixed annuities, mutual funds)
- A statement on whether you are authorized or otherwise able to sell insurance products (1) from one insurer, (2) from two or more insurers, or (3) from two or more insurers, although primarily contracted with one insurer
- A description of the sources and types of cash compensation and non-cash compensation you receive, including whether you receive a commission on the sale of an annuity or a fee as a result of a contract for advice or consulting services
- A notice of the client’s right to request additional information regarding cash compensation
- If the client requests additional information regarding cash compensation, you must disclose to the client a reasonable estimate of the cash compensation to be received by you for the annuity transaction and whether the cash compensation is a one-time or multiple occurrence amount (and if a multiple occurrence amount, the frequency and amount of the occurrence)

Your client may also need assistance in making the decision to purchase an annuity. You should remind them to discuss any annuity purchases with their tax advisor or legal professional. For certain older clients, you may want to consider involving a client’s family member in the decision to purchase an annuity to ensure that the purchase fits your client’s financial situation, insurance needs, and financial objectives.

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What Training is Required?

As part of the suitability and best interest requirements, you must complete your state's required one-time 4-hour general course on annuities or other required training adopted by your state. States that adopt the Revised Model Regulation may provide a grace period during which producers who have already taken the required 4-hour general course can supplement their training with a 1-hour course on the Revised Model Regulation's best interest requirements. More information on this topic is available on our website. This required general training course (and supplemental 1-hour course, where applicable) may be completed through any carrier. However, if this training is not completed through SBL's selected training partner, we require documentation of successful completion of the course.

In addition, you are required to complete SBL's product-specific training. All product-specific training must be completed through SBL's selected training partner for SBL products. Upon appointment with SBL, you will receive information regarding your access to this training. Training is required so that you understand the SBL annuities you are considering for your client and you can inform your client of the various features of the annuity you recommend.

How will SBL Supervise My Annuity Recommendation?

We have implemented policies and procedures to supervise your annuity recommendations. This means that SBL will:

- Upon receipt of an application, review the SBL Suitability Form and, if applicable, the Annuity Comparison Form, to see if they are complete and contain all the information we require. If any required information is missing, then we will return the application and other materials to you as an application "Not In Good Order;"
- Apply a screening system to all annuity transactions for the purpose of identifying selected transactions for additional review;
- Apply certain procedures for the purpose of detecting recommendations that do not effectively address the client's financial situation, insurance needs, and financial objectives;
- Monitor your sales activity with respect to replacements and suitability for any trends; and
- Audit a random selection of transactions.

If SBL determines that an annuity transaction must be subject to further review, additional information may need to be gathered from you. During this review, SBL expects that you will be able to provide documentation of the information provided on the Suitability Form, Annuity Comparison Form (if applicable), and Financial Inventory Form. SBL also reserves the right to contact your client directly. SBL will not allow your client to purchase an annuity unless you have recommended it (i.e., SBL does not accept unsolicited sales), and have determined the annuity effectively addresses the client's financial situation, insurance needs, and financial objectives based on the information disclosed by the client.

What if I Have Questions?

SBL's Suitability Team is available to discuss a suitability or best interest determination you are making. While the Team cannot assist you in making the final determination without having received your client's application and other required forms, they can discuss the important information and let you know if they have any concerns. You can reach the Suitability Team at 866.747.3415 or suitabilityreview@SecurityBenefit.com.

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Appendix A

Completing SBL'S Forms

This Appendix will assist you in completing the forms required to determine whether a recommended annuity meets your client's financial situation, insurance needs, and financial objectives. Set forth below are step by step instructions on how to complete the Annuity Suitability, Annuity Comparison, and Financial Inventory Forms. The instructions also provide examples of the types of information being requested and descriptions of how the information is relevant to your suitability analysis.

ANNUITY SUITABILITY FORM

The Annuity Suitability Form ("Suitability Form") provides an organized way for you and your client to collect and discuss the information needed to determine whether a recommended annuity meets your client's needs and financial objectives. All information requested in the Suitability Form must be completed, including the client's and your signature. If any change is made, your client must sign and date the change before it is submitted. **Missing information may delay our processing of the application and issuance of the annuity.** We reserve the right to contact you or your client to clarify the information contained in the Suitability Form or to collect additional information we determine is relevant to the suitability analysis.

Except where stated below, if the owner of the annuity is an entity, you should fill in the Suitability Form based on the annuitant's information.

Applicant Information

1. Provide Applicant Information

Applicant Name

First

MI

Last

 Age

State Signed at* SSN/Tax ID #

**Non-resident form is required if different than resident state.*

Employment Status ☐ Employed ☐ Unemployed ☐ Retired ☐ Disabled

If disabled is marked, please explain

Joint Applicant Name

First

MI

Last

 Age

Employment Status ☐ Employed ☐ Unemployed ☐ Retired ☐ Disabled

If disabled is marked, please explain

Applicant and Joint Applicant Names – Fill in the name of the proposed owner and any proposed joint owner, regardless of whether the owner or joint owner is a natural person or an entity.

State where the Application was signed – Fill in the state where your client signed the application for the annuity. This will be annuity's issue state. The laws of the issue state will apply to the annuity.

- Applicant and Joint Applicant Ages** – Fill in:
- If the proposed owner or joint owner is a natural person, fill in the age of the owner or joint owner.
 - If the proposed owner is an entity, fill in the age of the annuitant.
 - If the joint owner is an entity, fill in N/A.

- SSN/Tax ID #** – Fill in:
- If the proposed owner or joint owner is a natural person, the social security number.
 - If the proposed owner is an entity, fill in the federal tax identification number.

- Applicant and Joint Applicant Employment Status** – Fill in the employment status of the owner or joint owner.
- If the owner is an entity, fill in the employment status of the annuitant.
 - If the joint owner is an entity, fill in N/A.

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Annuity Information

2. Provide Annuity Information

Annuity Product Name _____ Anticipated Amount \$ _____
Annuity Type ☐ Qualified ☐ Non-qualified

Annuity Product Name – Fill in the marketing name of the annuity you are recommending to your client.

Anticipated Premium Amount – Fill in the amount of the proposed premium.

- Be sure that the anticipated premium amount is above the annuity’s minimum premium amount and below the maximum premium amount. Consider whether your client will have other means to pay living expenses and emergency expenses after the purchase of the annuity.

Annuity Type – Select the tax status of the annuity.

- Remember, qualified annuities do not provide additional tax benefits to the owner.

Financial Information

3. Provide Financial Information (See page 6 for helpful definitions.)

Include financial information of the Applicant, and if a member of the same household, the Applicant’s spouse/partner, as determined by applicable state law.

- a. Approximate annual income \$ _____
Source of Income _____
- b. Approximate annual living expenses \$ _____
- c. Disposable income (question a. minus question b.) \$ _____
- d. Do you anticipate a significant increase in living expenses or decrease in annual income or liquid assets during the surrender charge period of the annuity? ☐ Yes ☐ No
If yes, please explain _____
- e. Approximate total assets \$ _____
- f. Approximate total debt – includes mortgages on properties (excluding any mortgages or debt owed on the Applicant’s primary residence), credit card debt, automobile loan or lease payments, student loans, and the outstanding balances of any other amounts owed. \$ _____
- g. Approximate net worth (question e. minus question f.) \$ _____
- h. Where do you currently reside? ☐ Personal residence ☐ With family members ☐ Nursing home
☐ Assisted living facility
- i. Do you have sufficient funds or other assets available, without penalty, for living expenses and in case of emergencies? ☐ Yes ☐ No
If no, please explain _____
- j. Federal income tax bracket ☐ 0% ☐ 10% ☐ 12% ☐ 22% ☐ 24% ☐ 32% ☐ 35% ☐ 37% ☐ Other _____
- k. Approximate liquid assets after annuity purchase \$ _____
- l. **California Residents Only** – Has the Applicant applied, or does the Applicant intend to apply for, means-tested government benefits, including, but not limited to, Medi-Cal or the veterans’ aid and attendance benefit? ☐ Yes ☐ No

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Remember: If the owner of the annuity is a trust, the remainder of the Suitability Form should be based on the grantor of the trust, in the case of a revocable trust and on the trust in the case of an irrevocable trust.

For the financial information requested, include the owner or annuitant's information as well as spouse or partner, if a member of the same household.

- a. **Approximate annual income** – Fill in the approximate dollar amount of annual income.
- Use the “Annual Income” section of the Financial Inventory Form to help your client determine his or her income. It may be helpful for your client to refer to his or her tax return.
 - Your client must have sufficient income to meet their annual living expenses and unexpected expenses, such as healthcare or other emergencies. If your client's income is not sufficient, they may need to access the amount held in the annuity prior to the end of the surrender charge period.
 - Please include the source of income.
- b. **Approximate annual living expenses** – Fill in the approximate dollar amount of annual living expenses. These amounts are approximate and do not have to be exact. Your client may provide educated estimates of these expenses.
- Use the “Annual Living Expenses” section of the Financial Inventory Form to help your client determine his or her expenses.
 - Living expenses are the costs that your client must be able to pay. If your client's income is not sufficient to meet their living expenses, along with certain unexpected expenses, they may need to access the amount held in the annuity prior to the end of the surrender charge period.
- c. **Disposable income** – Fill in the dollar amount of the difference in the approximate annual income and the approximate annual living expenses.
- d. **Anticipated increase in living expenses or decrease in annual income or liquid assets** – Ask your client whether a significant increase in living expenses or decrease in annual income or liquid assets is anticipated. If the answer is yes, the reason for and amount of the increase or decrease must be explained.
- An increase in living expenses may include increased medical expenses, moving to an assisted living or nursing home facility, or costs associated with dependent care. A decrease in annual income may include loss of income due to retirement and lower pension payments.
 - If the answer to this question is yes, it may indicate that your client's financial status may be changing and further analysis is needed to determine if your client would have sufficient income and assets to meet the changing needs without accessing the amount held in the annuity prior to the end of the surrender charge period.
 - If the answer to this question is yes, you should document how you assessed your client's changing situation and whether the change may affect your client's need to access the amount held in the annuity prior to the end of the surrender charge period. Your discussion with your client about your assessment should also be documented.
- e. **Approximate total assets** – Fill in the approximate dollar amount of assets.
- Use the “Total Assets” section of the Financial Inventory Form to help your client determine his or her total assets.
- f. **Approximate total debt** – Fill in the approximate dollar amount of debt.
- Use the “Total Debt” section of the Financial Inventory Form to help your client determine his or her total debt.
- g. **Approximate net worth** – Subtract approximate total debt from approximate total assets to get the approximate dollar amount of net worth.
- Low net worth may indicate that your client does not have enough assets that can be easily liquidated to meet their living expenses or unexpected expenses, if necessary, which means there is a greater potential that your client would need to access the amount held in the annuity prior to the end of the surrender charge period.
- h. **Where does the Applicant currently reside?** – Fill in the owner/annuitant's current living situation.
- “Nursing home” is a facility licensed by the state to provide, on a daily basis, convalescent or chronic care for in patients who, by reason of illness or infirmity, are not able to care for themselves.
 - “Assisted Living Facility” is a residential setting that provides either routine general protective oversight or assistance with activities necessary for independent living to mentally or physically limited persons.
 - An annuity may not be suitable for a client that resides in a nursing home or assisted living facility because the client may need to access the amount held in the annuity prior to the end of the surrender charge period. Additionally, clients that live in a nursing home or assisted living facility may have diminished capacity and not understand the features of the annuity.



- i. **Does the Applicant have sufficient funds or assets, without penalty, for living expenses and emergencies?**
- Consider your client’s disposable income and liquid net worth to assess whether your client has sufficient income or assets available, without penalty, so that the chance that your client must access funds, other than the free withdrawal amount, prior to the end of the surrender charge period is remote.
 - This analysis should consider any reasonably anticipated future changes in income, living expenses, liquid assets, and health care needs.
- j. **Federal income tax bracket** – Select the relevant tax bracket.
- To determine the relevant tax bracket, review the previous year’s tax return to determine the “taxable income” and compare that amount to the current IRS tax bracket table (available at www.irs.gov).
 - If your client is in the lower tax brackets, it may suggest that your client may not have sufficient income to meet their annual living expenses and unexpected expenses, such as healthcare or other emergencies. Additionally, the tax benefits of a deferred annuity will be of limited benefit to clients in the lower tax brackets.
- k. **Approximate liquid assets after annuity purchase** – Fill in the amount of liquid assets available after the annuity purchase.
- Use the “Liquid Assets” section of the Financial Inventory Form to help your client determine his or her liquid assets.
 - It is important that your client have liquid assets after the purchase of the annuity to meet annual living expenses and unexpected expenses, such as healthcare or other emergencies and not have to access the amount held in the annuity prior to the end of the surrender charge period.
- l. **California Residents Only** – Please indicate if the Applicant has applied for or intends to apply for, any means-tested government benefits.

Financial Experience

4. Provide Financial Experience

Include financial information of the Applicant, and if a member of the same household, the Applicant’s spouse/partner, as determined by applicable state law.

- a. Please provide the current value for the financial products that comprise your net worth. If previously owned, put \$0 on the line. Check all that apply.

	Non-qualified	Qualified		Non-qualified	Qualified
<input type="checkbox"/> Checking/Savings	\$ _____	\$ _____	<input type="checkbox"/> Fixed and Fixed Index Annuities	\$ _____	\$ _____
<input type="checkbox"/> Certificates of Deposit	\$ _____	\$ _____	<input type="checkbox"/> Fixed and Fixed Index Annuities (surrender free)	\$ _____	\$ _____
<input type="checkbox"/> Stocks/bonds/mutual funds	\$ _____	\$ _____	<input type="checkbox"/> Cash Value of Life Insurance	\$ _____	
<input type="checkbox"/> Money Market	\$ _____	\$ _____	<input type="checkbox"/> Business Equity	\$ _____	
<input type="checkbox"/> Variable Annuities	\$ _____	\$ _____	<input type="checkbox"/> Reverse Mortgage	\$ _____	
<input type="checkbox"/> Variable Annuities (surrender free)	\$ _____	\$ _____	<input type="checkbox"/> Real Estate (Excluding primary residence)	\$ _____	
<input type="checkbox"/> Other _____	\$ _____	\$ _____			
			Total (both columns):	\$ _____	\$ _____

- b. What is your current risk tolerance? ☐ Conservative ☐ Moderately conservative ☐ Moderate ☐ Moderately aggressive ☐ Aggressive
- c. Does the annuity you are applying for fit your risk tolerance? ☐ Yes ☐ No
- d. Do you understand that SBL has the right to either change the interest rate or the factors used in computing the interest rate and the rates that determine how much you receive if you annuitize during the life of the annuity? ☐ Yes ☐ No
- e. Total value of all annuities you own (including this annuity) \$ _____



- a. **What other financial products does the Applicant own or has owned?** – Select all of the products with which your client has experience.
- The extent of your client’s experience with financial products may be an indication of their ability to understand the features and limitations of the annuity that you are recommending.
 - Please include the current value of all such accounts (if applicable, indicate whether the financial product is qualified or non-qualified by including the current value on the appropriate line). If the client does not currently own a particular financial product but did in the past, please list the \$0.
- b. **What is the Applicant’s current risk tolerance?** – Select the applicable level.
- Risk tolerance is the amount of uncertainty your client is willing to accept with regard to the change in value of their investment.
 - The more willing a client is to accept the possibility that the value of their investment will fluctuate and potentially decline, the more aggressive their risk tolerance. A client with a more conservative risk tolerance will be less likely to be willing to take the chance that their investment will lose value.
 - Your client’s risk tolerance is useful in assessing whether the annuity meets their financial objectives.
- c. **Does the recommended annuity fit the Applicant’s risk tolerance?** – Select yes or no.
- The purchase of an annuity that does not fit your client’s risk tolerance is unsuitable because it suggests that the annuity would not fit your client’s financial objectives.
- d. **Does the client understand that SBL has the right to either change the interest rate or the factors used in computing the interest rate and the rates that determine how much the client receives if he or she annuitizes during the life of the annuity?** – Select yes or no.
- Your client should be informed as to the non-guaranteed elements in the annuity and willing to accept such elements.
 - An unwillingness to accept such non-guaranteed elements indicates the annuity may not fit your client’s risk tolerance.
- e. **What is the total value of all the annuities the Applicant owns?** – Fill in the total dollar amount of all of the annuities your client owns, including the dollar amount of anticipated premium indicated in “Annuity Information.”
- If a client has too large a percentage of their assets in annuities, it may indicate that your client’s assets are not easily liquidated and your client may not be able to meet their annual living expenses and unexpected expenses, such as healthcare or other emergencies, without accessing the amount held in the annuity prior to the end of the surrender charge period.

Financial Objectives

5. Provide Financial Objectives

- a. What are your financial objectives in purchasing this annuity? (Check all that apply)
- | | | | |
|---|---|---|--|
| <input type="checkbox"/> Income now | <input type="checkbox"/> Future Income | <input type="checkbox"/> Lifetime Income | <input type="checkbox"/> Pass to beneficiaries |
| <input type="checkbox"/> Guarantee of premium | <input type="checkbox"/> Guaranteed interest rate | <input type="checkbox"/> Potential interest based on the market | |
| <input type="checkbox"/> Tax-deferral | <input type="checkbox"/> Probate avoidance | <input type="checkbox"/> Other _____ | |
- b. What is the source of this annuity’s premium? (If brokerage account, please indicate the investment vehicle within the brokerage account) (Check all that apply)
- | | | | |
|--|--|---|----------------------------------|
| <input type="checkbox"/> Savings/checking/money market | <input type="checkbox"/> Stocks/bonds/mutual funds | <input type="checkbox"/> Current income | <input type="checkbox"/> Annuity |
| <input type="checkbox"/> Surrendered life insurance policy | <input type="checkbox"/> Death Benefit – Spousal lump sum | <input type="checkbox"/> Inheritance | |
| <input type="checkbox"/> Reverse mortgage/Home equity loan | <input type="checkbox"/> Death Benefit –Spousal assumed contract | <input type="checkbox"/> 401(k)/Pension/TSP | |
| <input type="checkbox"/> Certificates of deposit | <input type="checkbox"/> Death Benefit – Non-spouse | | |
| <input type="checkbox"/> Other _____ | | | |



- c. Do you believe that this annuity will meet your financial needs? ☐ Yes ☐ No
- d. Is this a replacement of an annuity or life insurance contract? ☐ Yes ☐ No
If yes, please complete Annuity Comparison Form.
- e. If yes, what type of contract is being replaced?
☐ Fixed Annuity ☐ Index annuity ☐ Variable annuity ☐ Life
-

- a. **What are the Applicant's financial objectives in purchasing the annuity?** – Select all of the reasons why your client wants to purchase this annuity.
- Your client's financial objectives should match the features of the annuity for which they are applying.
- b. **What is the source of the premiums for the annuity?** – Select each of the sources with which your client is going to pay the annuity's premium.
- Certain sources of premium may make the recommended annuity unsuitable for your client. For example, premiums from a reverse mortgage or home equity loan are not suitable. This is because your client may not be able to meet their annual living expenses and unexpected expenses, such as healthcare or other emergencies, without accessing the amount held in the annuity prior to the end of the surrender charge period.
 - If the source is not listed, select "Other" and describe the source.
- c. **Does this annuity meet the client's needs?** – Select yes or no.
- d. **Is this a replacement of another annuity or life insurance?** – Select whether another annuity or life insurance contract is being replaced by the purchase of this annuity.
- "Replacement" occurs when, in connection with the purchase of the annuity, an existing annuity or life insurance contract is:
 - a. Lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing insurer or otherwise terminated;
 - b. Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values;
 - c. Amended so as to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid;
 - d. Reissued with any reduction in cash value; or
 - e. Used in a financed purchase. A financed purchase is the purchase of a new policy or contract involving the actual or intended use of funds obtained by the withdrawal or surrender of, or by borrowing from values of, an existing policy or contract to pay all or part of any premium due on the new policy or contract.
 - If the purchase of the annuity is a replacement, you should review our Replacement Policy which provides our position on the acceptability of replacement transactions. Additionally, if the purchase of this annuity is a replacement of an existing annuity, the Annuity Comparison Form, described below, will also need to be completed. There may be additional forms required by your state.
- e. **If this is a replacement, what type of product is being replaced?** – Select the correct answer.

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Accessing Your Money

6. Accessing Your Money

- a. Did your Financial Professional discuss the ways to access your money in the annuity? ☐ Yes ☐ No
- b. How do you anticipate taking distributions from this annuity? (Check all that apply)
- ☐ Immediate income ☐ Annuitize ☐ Lump sum ☐ Free withdrawals
- ☐ Withdrawals more than free withdrawals ☐ Required minimum distribution
- ☐ Guaranteed lifetime withdrawal benefit ☐ Leave to beneficiary ☐ No plans to access
- c. When do you anticipate taking your first distribution from this annuity? (Choose one)
- ☐ Less than one year ☐ One to five years ☐ Six to nine years ☐ 10 or more years ☐ None anticipated
- d. Do you understand that withdrawals taken in excess of the free withdrawal amount during the surrender charge period may incur a surrender charge (and if applicable, may incur a market value adjustment and/or a bonus recapture) that may reduce your annuity value? ☐ Yes ☐ No
- e. Do you understand that due to surrender charges (and if applicable, due to a market value adjustment and/or a bonus recapture), you may receive less than the premiums paid? ☐ Yes ☐ No
- f. Do you plan on holding the annuity until at least the end of the surrender charge period? ☐ Yes ☐ No
- g. Did your Financial Professional explain the other charges and limits that may apply to the annuity, including rider charges and limits on interest credits? ☐ Yes ☐ No
- h. If you are applying for the Select Benefit Annuity with the Bonus Benefit with Withdrawal Benefit Rider (Accelerated Income Rider), please respond to the following questions:
- i. Do you understand that more Annual Income under the Accelerated Income Rider is available in the first 10 years (once you begin taking Annual Income), than in later years, because an Annual Income Adjustment Factor reduces by 50% the Annual Income that can be taken after the first 10 years? ☐ Yes ☐ No
- ii. Have you carefully considered your anticipated financial needs to account for the fact that more Annual Income is available only for the first 10 years, including having sufficient funds available for living expenses and in case of emergencies after the first 10 years? ☐ Yes ☐ No
- iii. Explain how you plan to account for the fact that Annual Income will be higher in the first 10 years than in later years, focusing on how you plan to address your income needs after the first 10 years. Check all that apply:
- ☐ I/We expect to have other sources of income that will replace the decrease in Annual Income available under this rider.
- ☐ I/We expect our expenses will be greater for the first 10 years we take Annual Income and expect our expenses to decrease after the first 10 years.
- ☐ Other: _____
-

- a. Did you discuss the ways to access the money in the annuity with the client? – Select yes or no.
- b. How does the Applicant anticipate taking distributions from the annuity? – Select all of the types of distributions that your client anticipates taking.
- Your client's response is not binding and they are free to change their mind. If your client is unsure of the answer, mark each of their likely choices.
 - It is important to understand that annuities are long-term financial products and your client should generally not need to access the amounts, other than the free withdrawal amount, held in the annuity until the end of the surrender period.
 - Clients anticipating taking required minimum distributions must meet certain requirements under the federal income tax code.
 - It is important that your client understand the different types of distributions and which ones are appropriate under the annuity for which they are applying.



- c. **When does the Applicant anticipate taking their first distribution?** – Select the time frame in which your client anticipates taking their first distribution.
- Your client's response is not binding and they are free to change their mind. If your client is unsure of the answer, mark their most likely choice.
 - Your client should not anticipate taking their first distribution before the end of the surrender charge period, unless the anticipated distribution is a free withdrawal, since distributions during the surrender charge period incur a surrender charge and other charges and adjustments.
- d. **Does the Applicant understand that withdrawals in excess of free withdrawals during the surrender charge period may incur surrender and other charges?** – Select yes or no.
- e. **Does the Applicant understand that they may receive less than the premiums paid due to surrender and other charges?** – Select yes or no.
- f. **Does the Applicant plan on holding the annuity until at least the end of the surrender charge period?** – Select yes or no.
- g. **Did you discuss with the Applicant the other charges and limits that apply to the annuity?** – Select yes or no.
- You are required to discuss with your client all of the charges and limits that may apply under the annuity. Your client's understanding of the charges and limits of the annuity is critical to making an informed decision
- h. For applications for the Select Benefit Annuity product only. Please answer these questions.

Customer Identification Verification

This section ensures compliance with the USA Patriot Act. You should fill out the appropriate ID information and citizenship question for each owner of the contract.

7. Customer Identification Verification

The identification used must be valid and unexpired.

Owner – ☐ Driver's License ☐ Passport ☐ State or military photo ID Card Number _____
State/County of Issue _____ Expiration Date _____
US Citizen ☐ Yes ☐ No

Joint Owner – ☐ Driver's License ☐ Passport ☐ State or military photo ID Card Number _____
State/County of Issue _____ Expiration Date _____
US Citizen ☐ Yes ☐ No

Other (Trustee, POA, Officer, etc.) – ☐ Driver's License ☐ Passport
☐ State or military photo ID Card Number _____
State/County of Issue _____ Expiration Date _____
US Citizen ☐ Yes ☐ No

For the Owner and Joint Owner select the appropriate identification type then record the Number of the document, the State or County of Issue and the Expiration Date.

For the Owner and Joint Owner, indicate if they are a U.S. Citizen.

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8. Basis of Recommendation - To be completed by the Financial Professional

Answer the following questions and include as much detail as possible. For paper applications, if more space is needed, a separate page can be attached to the application. The customer must initial the additional page(s). Each question must be answered. N/A is not acceptable.

- 1. Explain your reasons for recommending to the Applicant that they purchase this annuity, including how the annuity and its features will effectively address the Applicant’s insurance needs and financial objectives. Include the advantages and disadvantages considered as part of the recommendation.

- 2. Explain why the current account, contract, or investment from which the funds to purchase the annuity will originate, cannot meet the Applicant’s insurance needs and financial objectives.

Applicant Acknowledgment

9. Applicant Acknowledgment

Note: Please verify that ALL questions were answered. This Form must be completed, signed, and dated so we can consider the Application.

I understand that I should consult my tax advisor regarding possible tax implications of the purchase, sale, surrender, and annuitization of an annuity and, if it applies, the exchange of an existing annuity or life insurance contract.

I understand that during the surrender charge period a surrender charge may apply (and if applicable, a market value adjustment, and/or a bonus recapture may apply) on withdrawals or termination of the annuity. I intend to keep the annuity contract at least through the contract’s surrender charge period. I have been provided with and read a Statement of Understanding (SOU) that discloses the surrender charge period and surrender charges, (and if applicable, any market value adjustment, and any bonus recapture) for the annuity.

For New Jersey Consumers: The sale and suitability of annuities is regulated by the Department of Banking and Insurance and consumers may obtain assistance from the Department by contacting 609-292-7272 or 1-800-446-7467, or by visiting the Department’s website at www.njdobi.org.

By signing below, I acknowledge that the information above is true and complete and that I have read and understand the above statements. I have also received a copy of the Statement of Understanding (SOU).

X

Applicant Signature

Date (mm/dd/yyyy)

(You must include your designation if signing as a trustee, executor, custodian, guardian, or attorney-in-fact.)

X

Joint Applicant Signature

Date (mm/dd/yyyy)

(You must include your designation if signing as a trustee, executor, custodian, guardian, or attorney-in-fact.)

The Applicant and any Joint Applicant must sign and date the Suitability Form to acknowledge that they understand certain provisions of the annuity for which they are applying and that the information they have provided is true and correct.

- If the owner is a natural person, the owner must sign and date the Suitability Form.
- If the proposed owner is a trust, the trustee of the trust must sign and date the Suitability Form. A copy of the trust certification form must be included with the Suitability Form.
- If the proposed owner is a corporation, an appropriate representative of the corporation must sign and date the Suitability Form. A copy of the corporate resolutions authorizing the representative to act on behalf of the corporation must be included with the Suitability Form.
- If the contract will be established as a UTMA or UGMA, the parent or custodian must sign and date the Suitability Form.

Financial Professional Acknowledgment

10. Financial Professional Acknowledgment

By signing below, I certify that I believe this annuity is suitable for the financial needs and objectives of the Applicant(s). I base this belief on the information the Applicant(s) provided and on everything I know at this time. I certify that I have made no representation that differs from Security Benefit approved sales materials, nor have I made any promise about the future value of this annuity. I reviewed the Applicant's suitability information and agree that this annuity is suitable.

Financial Professionals of all states/district excluding DC – By signing below, I further certify that (check all that apply):

- ☐ I have evaluated the information provided by the Applicant above, and, based on the options available to me, I have a reasonable basis to believe that this annuity effectively addresses the Applicant's financial situation, insurance needs, and financial objectives;
- ☐ I have a reasonable basis to believe that the Applicant has been informed of the various features of the annuity and that the Applicant would benefit from certain features of this annuity;
- ☐ I communicated the basis or bases of my recommendation to the Applicant;
- ☐ I have retained a copy of the disclosure signed by the Applicant in my files and can provide it to SBL upon request.

I further certify that, prior to making a recommendation to the Applicant, I disclosed to the Applicant the following information (check all that apply):

- ☐ A description of the scope and terms of the relationship with the Applicant and my role in this transaction
- ☐ An affirmative statement on the types of products I am licensed and authorized to sell (e.g., fixed annuities, fixed indexed annuities, variable annuities, life insurance, mutual funds)
- ☐ An affirmative statement on whether I am authorized to sell insurance products from one or more insurers, and/or whether I am primarily contracted with one insurer
- ☐ A description of the sources and types of cash and non-cash compensation I receive, including the manner in which I am compensated for the sale of this annuity
- ☐ A notice of the Applicant's right to request additional information regarding cash compensation
- ☐ If requested by the Applicant, a reasonable estimate of the cash compensation to be received by me and whether such compensation is a one-time or multiple occurrence amount (and if a multiple occurrence amount, the frequency and amount of the occurrence)
- ☐ Any material conflicts of interest

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THE FOLLOWING REPRESENTATIONS, WARRANTIES, AND CERTIFICATIONS APPLY WITH RESPECT TO THE PURCHASE OF AN ANNUITY WITH THE ASSETS OF A PLAN SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), INCLUDING A ROLLOVER FROM SUCH PLAN TO AN INDIVIDUAL RETIREMENT ACCOUNT DESCRIBED IN INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), SECTION 4975(e)(1)(B) THROUGH (F) ("IRA") OR A ROLLOVER FROM ONE IRA TO ANOTHER IRA, PURSUANT TO THE PROVISION OF FIDUCIARY INVESTMENT ADVICE AS DEFINED IN ERISA SECTION 3(21)(A)(ii), CODE SECTION 4975(e)(3)(B), AND GUIDANCE ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR

By signing below, I represent, warrant, and certify to Security Benefit that I have complied with the United States Department of Labor's Prohibited Transaction Exemption (PTE) 84-24, in connection with the Applicant's purchase and my recommendation(s) in relation thereto. Without limiting the generality of the foregoing, I represent, warrant, and certify to Security Benefit that:

- (1) I have complied with all applicable conditions of the PTE;
- (2) I acted in the Applicant's best interest with respect to any recommendation(s) I made regarding the annuity contract;
- (3) the combined total of all fees I receive for my services does not exceed reasonable compensation within the meaning of ERISA Section 408(b)(2) and Section 4975(d)(2) of the Code;
- (4) I made no materially misleading statements to the Applicant with respect to recommended transactions, fees, material conflicts of interest, or any other matters relevant to the Applicant's purchase; and
- (5) I made the following written disclosures to the Applicant:
 - (a) if I am an affiliate of Security Benefit, or if my ability to make recommendations is limited by any agreement with Security Benefit, the nature of the affiliation, limitation, or relationship;
 - (b) the amount of commission I will receive, directly or indirectly, from Security Benefit in connection with the Applicant's purchase;
 - (c) a statement of any charges, fees, discounts, penalties, or adjustments which may be imposed under the recommended annuity contract in connection with the Applicant's purchase.

Additionally, I acknowledge that neither Security Benefit nor any of its affiliates is a fiduciary with respect to the Applicant's purchase.

X _____
Financial Professional Signature Date (mm/dd/yyyy)

Massachusetts Financial Professionals Only – Please answer the following questions:

Have you ever sold any other life insurance policies or annuity contracts to the Applicant? ☐ Yes ☐ No

If yes, did the sale occur in the last 5 years? ☐ Yes ☐ No

If the sale occurred in the last 5 years, please provide additional information concerning the sale. _____

You must sign and date the Suitability Form to certify that you believe that the annuity being applied for is suitable for your client.

Annuity Comparison Form

If your recommendation involves an exchange or replacement of another existing annuity (each referred to as an "Existing Annuity"), your client must provide the information to complete SBL's Annuity Comparison Form. Information for each Existing Annuity that is proposed to be replaced should be included on the form. Please use additional forms if necessary. The Annuity Comparison Form facilitates the important comparison of the costs and benefits of the Existing Annuity and the proposed replacement annuity in order to determine whether the replacement is in your client's best interest.

All information requested in the Annuity Comparison Form should be completed, including your client's and your signature. If a change is made, your client must sign and date the change before it is submitted. You are required to submit the Annuity Comparison Form with the Application Accordingly, you should have your client complete the Annuity Comparison Form at the time of Application to assist you in your suitability determination and keep a copy of the form in your files.

SBL requires that you use our Annuity Comparison Form. Our forms are designed to obtain the information we will most likely need if we require additional information. **Missing information may delay our processing of the application and issuance of the annuity.** We reserve the right to contact you or your client to clarify the information contained in the Annuity Comparison Form or to collect additional information we determine is relevant to the suitability analysis.

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Provide Applicant Information

Applicant Name

First

MI

Last

Social Security Number/Tax I.D. Number State Application Signed at

Complete this section in the same manner as the “Applicant Information” section of the Suitability Form.

Provide Replacement Information

	Existing Annuity	Existing Annuity	Proposed Replacement Annuity
1. Company Name			
2. Type of Contract	<input type="checkbox"/> Fixed <input type="checkbox"/> Fixed Indexed <input type="checkbox"/> Variable	<input type="checkbox"/> Fixed <input type="checkbox"/> Fixed Indexed <input type="checkbox"/> Variable	<input type="checkbox"/> Fixed <input type="checkbox"/> Fixed Indexed <input type="checkbox"/> Variable
3. Product Name			
4. Date of Issue			
5. Initial Premium	\$	\$	\$
6. Source of Initial Premium			
7. Bonus	\$ or %	\$ or %	\$ or %
8. Bonus Recapture	Current Year % or <input type="checkbox"/> N/A	Current Year % or <input type="checkbox"/> N/A	Current Year % or <input type="checkbox"/> N/A
9. Annuitization Date	<input type="checkbox"/> Fixed <input type="checkbox"/> Flexible	<input type="checkbox"/> Fixed <input type="checkbox"/> Flexible	<input type="checkbox"/> Fixed <input type="checkbox"/> Flexible
10. Current Account Value	\$	\$	
11. Current Cash Surrender Value	\$	\$	
12. Surrender Charge Schedule for Remaining Years			
13. Market Value Adjustment	<input type="checkbox"/> Yes <input type="checkbox"/> No \$	<input type="checkbox"/> Yes <input type="checkbox"/> No \$	<input type="checkbox"/> Yes <input type="checkbox"/> No

To complete the Annuity Comparison Form, you and your client will need to collect the Existing Annuity contract and any riders or waivers, the last annual statement for the Existing Annuity sent to your client, and the information provided by SBL on the proposed replacement annuity.

1. **Company Name** – Fill in the name of the company that issued the Existing Annuity and “Security Benefit Life” for the proposed replacement annuity.
2. **Type of Contract** – Select the correct type of product for both the Existing Annuity and the proposed replacement annuity.
 - The types of contracts involved in the replacement are critical to the suitability analysis. The different types of contracts provide different features and benefits to the owner, all of which must be considered to determine whether the replacement is suitable.
 - This information can generally be found on the cover page of the Existing Annuity.
3. **Product Name** – Fill in the marketing name of the Existing Annuity and the annuity you are recommending to your client.
 - This information can generally be found on the cover page of the Existing Annuity.



4. **Date of Issue** – Fill in the date of issue for the Existing Annuity.
- The date of issue is required to determine the applicable charges that will apply to the replacement of the Existing Annuity. The date of issue also determines whether the Existing Annuity is being replaced in a manner that is considered to be an unfair trade practice.
 - This information can generally be found on the specifications page of the Existing Annuity
5. **Initial Premium** – Fill in the dollar amount of premium that was initially paid in to the Existing Annuity and the premium amount proposed to be paid in to the replacement annuity.
- This information can generally be found on the specifications page of the Existing Annuity.
 - This information can be found under “Annuity Information” in the Suitability Form for the SBL replacement annuity.
6. **Source of Initial Premium** – Fill in the source of initial premium for the Existing Annuity.
- A proposed replacement where the Existing Annuity was funded by the replacement of another annuity or life insurance policy raises concern as to the proposed replacement’s benefit. This may also indicate that the Existing Annuity is being replaced in a manner that is considered to be an unfair trade practice.
 - This information can generally be found on the specifications page of the Existing Annuity.
 - This information can be found in the answer to question 16 of the Suitability Form for the SBL replacement annuity.
7. **Bonus** – Fill in the dollar amount or additional interest rate of any bonus that the Existing Annuity paid on your client’s premiums or credited to the Existing Annuity. Also fill in any bonus that the proposed replacement annuity will pay or credit.
- A bonus is (i) an additional dollar amount credited to the contract when premium payments are made during a specified period of time or (ii) a higher crediting rate that applies for a specified period of time.
 - Bonus annuities may include changes to the elements used to determine the index interest credits or changes to the interest rate that are not included in similar annuities without a bonus. These changes may include lower current interest rates, higher surrender charges, longer surrender charge periods, lower participation rates or caps, higher spreads, or other changes. The amount of charges or reduction of interest credits may exceed the amount of the bonus.
 - The bonus amount that will be paid on premium payments made to the proposed replacement annuity should not be the only factor considered when determining whether the surrender or other charges that apply to the Existing Annuity make the replacement beneficial to your client.
 - This information can generally be found on the specifications page of the Existing Annuity.
 - This information can be found in the SOU for the SBL replacement annuity. Note that the bonus amount may differ depending on the state in which the annuity is issued.
8. **Bonus Recapture** – Fill in the percentage amount of any bonus recapture or bonus vesting that applies under the Existing Annuity and the proposed replacement annuity for the current year.
- A bonus recapture or vesting requirement is similar to a surrender charge that is assessed if the contract is surrendered or a withdrawal is made in excess of the “free withdrawal” amount under the contract. The higher a bonus recapture percentage, the more unfavorable it is to the owner of the annuity. The lower a bonus vesting percentage, the more unfavorable it is to the owner of the annuity.
 - This information can generally be found on the specifications page of the Existing Annuity.
 - This information can be found in the SOU for the SBL replacement annuity. Note that the bonus recapture or bonus vesting may differ depending on the state in which the annuity is issued.
9. **Annuitization Date** – Fill in whether the annuitization dates under the Existing Annuity and the proposed replacement annuity are fixed or flexible. If an annuitization date is fixed, fill in the exact annuitization date.
- The annuitization date is also sometimes referred to as the maturity date. It is the date that annuity payments are scheduled to begin under the contract. It is generally considered more beneficial to the owner of the annuity to have a flexible annuitization date because the owner then has the discretion to choose the date they will begin receiving annuity payments rather than have a fixed date.
 - This information can generally be found on the specifications page of the Existing Annuity. However, even if an annuitization date is specified, you should review the body of the Existing Annuity to determine whether the annuitization date can be changed.
 - This information can be found in the SOU for the SBL replacement annuity.



10. **Current Account Value** – Fill in the current dollar amount of account value for the Existing Annuity.
- Value is also sometimes referred to as the “accumulation value” or “cash value.” The current account value for the Existing Annuity is an important factor in the replacement comparison because it is the value that the owner is “giving up” for the proposed replacement annuity.
 - This information can generally be found in the most recent statement for the Existing Annuity sent to your client.
11. **Current Cash Surrender Value** – Fill in the current dollar amount of cash surrender value for the Existing Annuity.
- Cash surrender value is also sometimes referred to as the “surrender value.” The cash surrender value is the dollar amount that your client will receive upon surrender of the Existing Annuity, which includes all the relevant charges that apply. The cash surrender value is critical to the replacement comparison because it is the value that the owner will receive from the Existing Annuity.
 - This information can generally be found in the most recent statement for the Existing Annuity sent to your client.
12. **Surrender Charge Schedule for Remaining Years** – Fill in the surrender charge rate per year for the remaining years for both the Existing Annuity and the proposed replacement annuity.
- The surrender charge schedules are an important factor in the replacement comparison because they are the charges that will apply if the owner wants to withdrawal money from the annuity. If the Existing Annuity is still in its surrender charge period, there will be surrender charges assessed on the surrender, which will lower the amount that the owner receives on surrender.
 - This information can generally be found on the specifications page of the Existing Annuity. To determine the surrender charge schedule for the remaining years, you must first use the date of issue from question 4 to determine what contract year the Existing Annuity is in. Once you know the contract year of the Existing Annuity, the remaining surrender charge schedule will be that portion of the schedule that applies for the current contract year and for all later contract years.
 - This information can be found in the SOU for the SBL replacement annuity. The entire surrender charge schedule should be filled in for the proposed replacement annuity since, upon issue, the contract will be subject to each year of the surrender charge schedule. Note that the surrender charge schedule may differ depending on the state in which the annuity is issued.
13. **Market Value Adjustment** – Fill in whether the Existing Annuity and the proposed replacement annuity impose a market value adjustment.
- A market value adjustment is an increase or decrease to the value of a contract, imposed upon surrender, which is made based on the changes in the interest rate since the contract was issued. It is usually expressed using a formula. Because the market value adjustment can both increase and decrease the value of an annuity, it can be both favorable and unfavorable to the owner.
 - This information can generally be found on the specifications page of the Existing Annuity.
 - This information can be found in the SOU for the SBL replacement annuity
14. **Loans** – Fill in whether there are any outstanding loans on the Existing Policy.
15. **Free Withdrawal Available** – Fill in whether a free withdrawal is available under the Existing Annuity and the proposed replacement annuity. If a free withdrawal is available, fill in the percent of account value that is available each contract year.
- The free withdrawal is an amount that is available for your client to withdraw from the contract each contract year without incurring penalties such as surrender charges, bonus recaptures, and market value adjustments. The higher the free withdrawals available, the more benefit to the owner of the annuity.
 - This information can generally be found in the body of the Existing Annuity.
 - This information can be found in the SOU for the SBL replacement annuity.
16. **Annual Guaranteed Minimum Interest Rate** – Fill in the interest rate that is guaranteed to be credited under the Existing Annuity and the proposed replacement annuity. If there is not a guaranteed minimum interest rate, fill in “N/A.”
- The guaranteed minimum interest rate is the minimum percentage of interest that will be credited on a contract for any contract year. A guaranteed minimum interest rate is a benefit to the owner of an annuity because they know the minimum amount of interest that will be credited to their contract. Fixed annuities included a guaranteed minimum interest rate. Variable annuities generally do not provide guarantees on interest rates, except if a fixed account option is offered.



- This information can generally be found on the specifications page of the Existing Annuity.
- This information can be found in the SOU for the SBL replacement annuity.

Provide Replacement Information (continued)

	Existing Annuity	Existing Annuity	Proposed Replacement Annuity
14. Loans	<input type="checkbox"/> Yes <input type="checkbox"/> No \$ _____	<input type="checkbox"/> Yes <input type="checkbox"/> No \$ _____	
15. Free Withdrawal Percentage			
16. Annual Minimum Guaranteed Interest Rate			
17. Death Benefit Value	<input type="checkbox"/> Lump Sum <input type="checkbox"/> Annuitized \$ _____	<input type="checkbox"/> Lump Sum <input type="checkbox"/> Annuitized \$ _____	<input type="checkbox"/> Lump Sum <input type="checkbox"/> Annuitized
18. Change of Annuitant Available Upon Death	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
19. Interest Crediting Method (check which one you are currently in)	<input type="checkbox"/> Fixed _____ % _____ Yrs. <input type="checkbox"/> Indexed (describe strategy) _____	<input type="checkbox"/> Fixed _____ % _____ Yrs. <input type="checkbox"/> Indexed (describe strategy) _____	
20. Current Interest Rate Guarantee Period			
21. Terminal Illness Waiver	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
22. Confinement Waiver	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
23. Other Waivers			
24. Riders or enhanced benefits with the contract	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please list _____	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please list _____	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please list _____
25. Value of Benefit or enhanced withdrawal base	\$ _____	\$ _____	
26. Rider Guaranteed roll-up rate			
27. Anticipated rider start date?	Years _____	Years _____	Years _____
28. Payout rate for income rider distributions			
29. Fees/Charges	\$ _____ or _____ %	\$ _____ or _____ %	_____ %
30. Writing Financial Professional			

Continued on Next Page ►



Provide Replacement Information (continued)

30. Has the Applicant exchanged any annuities within the preceding 60 months? ☐ Yes ☐ No

If yes, please explain _____

31. How will the Proposed Replacement Annuity benefit the Applicant in meeting his or her insurance needs and financial objectives?

- | | | |
|---|---|--|
| <input type="checkbox"/> a. Lifetime income | <input type="checkbox"/> d. Financial objective | <input type="checkbox"/> g. Index options |
| <input type="checkbox"/> b. Interest rates | <input type="checkbox"/> e. Enhanced benefits | <input type="checkbox"/> h. Immediate income |
| <input type="checkbox"/> c. Death Benefit | <input type="checkbox"/> f. Increase liquidity | <input type="checkbox"/> i. Other _____ |

Please explain each benefit selected, including how the product features create the benefit. Also please discuss any feature differential between the existing and proposed annuity.

16. **Death Benefit Amount** – Fill in the dollar amount of the death benefit that is payable under the Existing Annuity and the proposed replacement annuity. Also fill in whether that death benefit amount is available as a lump sum or only when the value is annuitized and paid out over a period of time.

- The higher the death benefit amount, the more beneficial it is to an annuity owner. Additionally, the availability of the death benefit to the beneficiary in a lump sum is also considered beneficial.
- The dollar amount of the death benefit can generally be found in the most recent statement for the Existing Annuity sent to your client. While the statement may contain the information, whether the amount can be taken in a lump sum or is only available when annuitized and paid out over a period of time will most likely be contained in the body of the Existing Annuity.
- This information is not applicable for the proposed replacement annuity because it is not yet issued.

17. **Change of Annuitant Available Upon Death** – Select whether the Existing Annuity and the proposed replacement annuity contain any provisions allowing for a substitute annuitant to be selected upon the death of the annuitant named in the contract.

- The ability to change the annuitant upon death allows the annuity contract to continue instead of terminating upon the death. These types of provisions may provide more flexibility to the owner. However, how your client intends on using the annuity will determine if this flexibility is a benefit. For example, under the SBL Secure Income Select, if an owner-annuitant dies but their spouse continues the contract, the annuitant is permitted to be changed and the annuity continued.
- This information can generally be found in the body of the Existing Annuity.
- This information can be found in the SOU for the SBL replacement annuity.

18. **Interest Crediting Methods** – Fill in the crediting methods that are currently available to your client for allocation.

- The crediting methods are the available ways that interest can be credited to the contract. Lower caps and spreads and higher participation rates are more beneficial to the owner.
- This information can generally be found in the most recent statement for the Existing Annuity sent to your client.
- This information can generally be found in the SOU for the proposed replacement annuity.

19. **Interest Rate Guarantee Period** – Fill in any period of time for which the current interest rate is guaranteed.

- A current interest rate can be guaranteed by the insurer for a period of time, such as a one-year or a three-year period. If the current interest rate is high relative to other products, the guaranteed period will be a benefit to the owner.
- This information can generally be found in the most recent statement for the Existing Annuity sent to your client.
- This information can generally be found in the SOU for the proposed replacement annuity.

20. **Terminal Illness Waiver** – Select yes or no if this feature is available in the corresponding annuity.

21. **Confinement Waiver** – Select yes or no if this feature is available on the corresponding annuity.

22. **Other Waivers** – Please indicate any other waivers available on the corresponding annuity.

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23. Riders Purchased – Select whether rider is purchased with the corresponding annuity.

- An income rider offers an owner an alternative way to access the value of their annuity contract through a stream of guaranteed income for the owner's lifetime. The availability of an income rider, and the value detailed in question 24, should be weighed in your suitability determination.
- This information can generally be found in the most recent statement for the Existing Annuity sent to your client.
- This information can generally be found in the SOU for the proposed replacement annuity.

24. Value of Benefit – Please include the current value of any riders, if applicable.

25. Rider Guaranteed roll-up rate – Included information on rider roll-up rates.

26. Anticipated rider start date – Include estimate of when client will begin income payments from rider.

27. Payout rate for income rider distributions – Indicate payout rate for rider distributions based on estimated rider start date.

28. Fees/Charges – Fill in the fees and charges that apply to the annuity.

- The higher the fees and charges, the lower the value of the annuity and the more unfavorable to the owner.
- This information can generally be found in the most recent statement for the Existing Annuity sent to your client and the specifications page of the Existing Annuity.
- This information can generally be found in the SOU for the proposed replacement annuity

29. Please disclose the writing Financial Professional on the respective contracts.

30. Has the Applicant exchanged any annuities in the preceding 60 months? – Select yes or no. If the answer is yes, please detail the circumstances surrounding the prior exchange.

- Excessive exchanges and replacements may indicate that your client will not benefit from the replacement. This is because the surrender and other charges that apply under a newer contract will be higher. Additionally, exchanges within the preceding 36 months may indicate that the Existing Annuity is being replaced in a manner that is considered to be an unfair trade practice.

31. How will the proposed replacement annuity benefit the Applicant in meeting his or her insurance needs and financial objectives? – Select all of the aspects of the proposed replacement annuity that will assist the Applicant in meeting their goals. Then detail how the proposed replacement annuity provides each benefit.

After reviewing the answers to questions 1–31, you should draw conclusions from the comparison as to how the Existing Annuity does not meet your client's needs and how the proposed replacement annuity will benefit your client.

Applicant Acknowledgment

By signing below, I certify that:

- I have reviewed all the information in this Form with my Producer;
- I understand that the Proposed Replacement Annuity may have new surrender charges and that I may not be able to overcome the surrender charges incurred by cancellation of the Existing Annuity;
- I am aware of the differences in fees and charges between my Existing Annuity and the Proposed Replacement Annuity;
- Once my Existing Annuity is replaced, I may not be able to reinstate it;
- I understand that the Proposed Replacement Annuity has surrender charges and penalties that apply on certain withdrawals;
- I understand that due to surrender charges, market value adjustment and/or bonus recaptures, I may receive less than the premiums paid; and
- I have reviewed and compared the features of the Existing Annuity and the Proposed Replacement Annuity with my Producer and I believe that the Proposed Replacement Annuity better suits my current insurance needs and financial objectives.

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Note: Applicant do not sign this form:

- 1. If any item has been left blank;
- 2. Without carefully reviewing the information recorded; or
- 3. If any of the information recorded is not true and correct to the best of your knowledge.

X _____
Applicant Signature Date (mm/dd/yyyy)

X _____
Joint Applicant Signature Date (mm/dd/yyyy)

Financial Professional Acknowledgment

By signing below, I certify that I have reviewed the information in this Form and believe that the Proposed Replacement Annuity better suits the Applicant’s current insurance needs and financial objectives and would substantially benefit the Applicant in comparison to the Existing Annuity over the life of the Proposed Replacement Annuity.

X _____
Financial Professional Signature Date (mm/dd/yyyy)

Applicant Acknowledgment

The Applicant and any Joint Applicant must sign and date the Annuity Comparison Form to acknowledge that they understand the different material features of the Existing Annuity and the proposed replacement annuity. The Applicant and Joint Applicant must also acknowledge that they believe that the proposed replacement annuity is more suitable for their current insurance needs and financial objectives than the Existing Annuity.

You, as the Financial Professional, must also sign the Annuity Comparison Form to verify that you believe that the proposed replacement annuity is more suitable for your client’s current insurance needs and financial objectives than the Existing Annuity.

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Financial Inventory Form

All information requested in the Financial Inventory Form should be completed, including your client’s and your signature. If any change is made, your client must sign and date the change before it is submitted.

You are not required to submit the Financial Inventory Form with the Application but, should additional information be needed to complete the suitability analysis, we may request the Financial Inventory Form from you. Accordingly, you should have your client complete the Financial Inventory Form at the time of Application to assist you in your suitability determination and keep a copy of the form in your files.

You may use our Financial Inventory Form or that of another carrier. However, our forms are designed to obtain the information we will most likely need if we require additional information. Thus, if you choose to use another carrier’s forms, it may result in delays as you collect the additional information we need. Missing information may delay our processing of the application and issuance of the annuity. We reserve the right to contact you or your client to clarify the information contained in the Financial Inventory Form or to collect additional information we determine is relevant to the suitability analysis.

For the financial information requested, include the owner or annuitant’s information as well as spouse or partner, if a member of the same household.

Applicant Information

Provide Applicant Information

Applicant Name

First

MI

Last

Social Security/Tax I.D. Number

Date

(mm/dd/yyyy)

Joint Applicant Name

First

MI

Last

Social Security Number/Tax I.D. Number

Complete this section in the same manner as the “Applicant Information” section of the Suitability Form.

Annual Income

Annual Income (List \$0 if no such source.)

1. Salary and wages	\$		7. Profits and losses from	\$	
2. Social Security payments	\$		the sale of an asset		
3. IRAs and other	\$		8. Other	\$	
pension/retirement plans			9. Other	\$	
4. Payments from annuities	\$		10. Other	\$	
5. Interest/dividend income	\$		Total Annual Income	\$	
6. Rental income	\$				

This section of the Financial Inventory Form will provide the information needed to complete question 1 under “Provide Financial Information” on the Suitability Form.

- Fill in the total dollar amounts of each of the listed types of income. The amounts should be on an annual basis. You can obtain this information from your client’s most recent tax return.
- Fill in \$0 if your client does not receive income of the type listed.
- If your client receives income of a type not listed, use the “Other” line items. The dollar amount of the income should be filled in along with a description of the type of income.

Once all of the income amounts are listed, the sum of all the amounts should be calculated and entered as the “Total Annual Income.”



Annual Living Expenses

Annual Living Expenses (List \$0 if no expenses in that category.)

1. Rent/mortgage payment	\$	_____	9. Taxes	\$	_____
2. Utilities and other household maintenance	\$	_____	10. Dependent support	\$	_____
3. Insurance premiums	\$	_____	11. Charitable donations	\$	_____
4. Debt repayment	\$	_____	12. Vacation and recreation	\$	_____
5. Transportation/fuel	\$	_____	13. Other _____	\$	_____
6. Food	\$	_____	14. Other _____	\$	_____
7. Health care	\$	_____	15. Other _____	\$	_____
8. Nursing home and assisted living costs	\$	_____	Total Annual Living Expenses	\$	_____

This section of the Financial Inventory Form will provide the information needed to complete question 2 under “Provide Financial Information” on the Suitability Form.

- Fill in the total dollar amounts of each of the listed types of expenses. The amounts should be on an annual basis.
- Fill in \$0 if your client does not incur the type of expense listed.
- “Other household maintenance” may include expenses such as pest control and general maintenance costs.
- “Health care” should include all medical costs including insurance co-pays and prescription drug costs.
- If your client incurs expenses of a type not listed, use the “Other” line items. The dollar amount of the expense should be filled in along with a description of the type of expense.

Once all of the expense amounts are listed, the sum of all the amounts should be calculated and entered as the “Total Annual Living Expenses.”

Total Assets

Total Assets

1. Checking/Savings accounts	\$	_____	7. Real estate (excluding primary residence)	\$	_____
2. Certificates of deposit	\$	_____	8. Business equity	\$	_____
3. Non-retirement stocks, bonds, and mutual funds	\$	_____	9. Other _____	\$	_____
4. Non-retirement annuities	\$	_____	10. Other _____	\$	_____
5. Retirement annuities	\$	_____	11. Other _____	\$	_____
6. Retirement stocks, bonds, and mutual funds	\$	_____	Total Assets	\$	_____

This section of the Financial Inventory Form will provide part of the information needed to complete question 8 under “Provide Financial Information” on the Suitability Form.

- Fill in the total dollar value of each of the listed types of assets.
- Fill in \$0 if your client does not own the type of asset listed.
- “Assets” does not include your client’s primary residence or personal property such as jewelry, furnishings, or vehicles.
- If your client owns assets of a type not listed, use the “Other” line items. The dollar value of the asset should be filled in along with a description of the type of asset.

Once all of the asset values are listed, the sum of all the values should be calculated and entered as the “Total Assets.”

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Total Debt

Total Debt (List \$0 if no debts in that category.)

1. Mortgages on non-primary residence properties	\$ _____	5. Loan on annuity being replaced (if any)	\$ _____
2. Credit card debt	\$ _____	6. Other _____	\$ _____
3. Automobile loan/lease payments	\$ _____	7. Other _____	\$ _____
4. Student loans	\$ _____	Total Debt	\$ _____

This section of the Financial Inventory Form will provide part of the information needed to complete question 8 under “Provide Financial Information” on the Suitability Form.

- Fill in the total dollar value of each of the listed types of debt.
- Fill in \$0 if your client does not have the type of debt listed.
- “Debt” does not include any mortgage on your client’s primary residence.
- If your client has debt of a type not listed, use the “Other” line items. The dollar value of the debt should be filled in along with a description of the type of debt.

Once all of the debt amounts are listed, the sum of all the amounts should be calculated and entered as the “Total Debt.”

Net Worth

Net Worth

Net Worth = Total Assets Less Total Debt

Total Assets	\$ _____
Less Total Debt	\$ _____
Total Net Worth	\$ _____

This section of the Financial Inventory Form will provide the information needed to complete question 8 under “Provide Financial Information” on the Suitability Form.

- Enter the value computed above as “Total Assets.”
- Enter the value computed above as “Total Debt.”
- Subtract the Total Debt from the Total Assets to find your client’s “Total Net Worth.”

If Total Assets is greater than Total Debt, Net Worth will be positive. Net Worth will be negative if Total Debt is greater than Total Assets.

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Liquid Assets

Liquid Assets (List \$0 if no assets in that category.)

(Please exclude funds that will be used to purchase this annuity, and personal property such as jewelry, furnishings, and vehicles.)

1. Checking accounts	\$ _____	5. Annuity free withdrawals	\$ _____
2. Savings accounts	\$ _____	6. Surrender free annuities	\$ _____
3. Money market accounts	\$ _____	7. Other _____	\$ _____
4. Stocks, bonds, and mutual funds	\$ _____	8. Other _____	\$ _____
		Total Liquid Assets	\$ _____

This section of the Financial Inventory Form will provide the information needed to complete question 9 under “Provide Financial Information” on the Suitability Form. While some of these types of assets may be included in “Total Assets” above, not all of the assets included in “Total Assets” will be considered “Liquid Assets.” Liquid assets are those assets that can readily be turned into cash without the imposition of fees or penalties.

- Fill in the total dollar value of each of the listed liquid asset types.
- Fill in \$0 if your client does not own the type of liquid asset listed.
- If your client owns liquid assets of a type not listed, use the “Other” line items. The dollar value of the liquid asset should be filled in along with a description of the type of liquid asset.

Once all of the liquid asset values are listed, the sum of all the values should be calculated and entered as the “Total Liquid Assets.”

Additional Information

Additional Information

(Optional. To be completed by Financial Professional or Applicant, or both.)

Please use this space to list any additional information about the Applicant’s financial situation that would help us in making a determination about suitability. Please explain any differences between the information that is being reported on this Financial Inventory form and the Annuity Suitability form that was previously completed.

The “Additional Information” section is optional to complete. You should include any information about your client that was not included in the Suitability Form or the Financial Inventory Form that you think will be relevant to the suitability determination. This may include descriptions of anticipated significant changes to your client’s financial information that are not reflected in the forms or ANY other information you believe is relevant.

Continued on Next Page ►



Applicant Acknowledgment

Applicant Acknowledgment

Note: Please verify that all required information has been provided.

I acknowledge that the information above is true and complete.

X	_____	_____
	Applicant Signature	Date (mm/dd/yyyy)
X	_____	_____
	Joint Applicant Signature	Date (mm/dd/yyyy)
X	_____	_____
	Financial Professional Signature	Date (mm/dd/yyyy)

The Applicant and any Joint Applicant must sign and date the Financial Inventory Form to acknowledge that the information they have provided is true and correct. See the "Applicant Acknowledgment" for the Suitability Form for instructions on who must sign the Financial Inventory Form for the Applicant.

You, as the Financial Professional, must also sign the Financial Inventory Form to verify that all of the required information has been provided and that the information provided is true and correct to the best of your knowledge.

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