

# Disclosure and comparison of annuity Contracts



P.O. Box 14432, Des Moines, IA 50306-3432

## Existing annuity Contract

Annuitant(s): \_\_\_\_\_

Insurer: \_\_\_\_\_

Contract #: \_\_\_\_\_

## Proposed annuity Contract

Annuitant(s): \_\_\_\_\_

Insurer: \_\_\_\_\_

Application #: \_\_\_\_\_

For explanation of following terms, refer to the definitions provided on pages 4 and 5.	Existing annuity Contract			Replacement annuity			
	Mo	Day	Year	Mo	Day	Year	(Est)
<b>Contract issue date</b>							
<b>Generic Contract type</b> (Example: SPIA, FIA, VA)							
<b>Marketing/product name</b>							
<b>Initial premium</b>							
<b>Source of initial premium</b> (Example: annuity, CD)				N/A			
<b>Qualified Contract?</b>		<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<b>Annuity maturity date</b>							
<b>Death benefit amount</b>							
<b>Change of Annuitant upon death available?</b>		<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<b>Surrender charge period in years</b>							
<b>First year surrender charge percentage rate</b>							%
<b>Surrender charge schedule for remaining years</b>							%
<b>Free withdrawals available?</b>		<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<b>Annual free withdrawal percentage rate</b>							%
<b>Potential tax penalty for surrender/sale/exchange/annuitization (describe)</b> <i>Example: premature distribution may result in excise IRS penalty, etc.</i>							
<b>Investment/insurance components (describe)</b> <i>List any unique features pertaining to each Contract, for example; allocation options, crediting methods, guarantees, additional/enhanced benefits, etc.</i>							
<b>Waiver of surrender charge benefit or similar benefit?</b>		<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<b>Riders, features/cost (describe)</b> <i>Example: income, death, additional, etc.</i>							
<b>Loss of benefits or enhancements if existing Contract exchanged? (describe)</b> <i>Example: bonus recapture, death benefit, income rider, additional benefits rider, etc.</i>							

\_\_\_\_\_  
Owner's signature

□□ - □□ - □□□□

Date signed (mm/dd/yyyy)

\_\_\_\_\_  
Joint Owner's signature

□□ - □□ - □□□□

Date signed (mm/dd/yyyy)



\$242202

For explanation of following terms, refer to the definitions provided on pages 4 and 5.	Existing annuity Contract	Replacement annuity
<b>Living benefits (describe)</b> <i>Provide specific lifetime payment amount corresponding to client's time line for income distribution.</i>		
<b>Minimum guaranteed fixed interest rate</b>	%	%
<b>Current fixed interest rate</b>	%	%
<b>Limitations on interest returns (describe)</b> <i>Example: Cap, margin, participation rate</i>		
<b>Guaranteed rate/period only for multi-year guarantee annuities (MYGAs)</b>		
<b>Interest rate cap / term</b>	/	/
<b>Index margin / term</b>	/	/
<b>Participation rate / term</b>	/	/
<b>Indexing method / term</b>	/	/
<b>Interest adjustment / market value adjustment</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Other fees (describe)</b>		
<b>Initial bonus percentage or amount</b>	% – or – NA	% – or – NA
<b>Potential loss of bonus if exchanged?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Limits and exclusions for bonuses that may be payable (describe)</b>		

Comments and continuation from above (e.g. This section is used commonly for additional details required for responses to the valuation terms above (i.e. multiple index allocations, etc.): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Basis for recommendation: (e.g. Describe how the proposed annuity better satisfies your client's financial objectives in a way their existing Contract does not): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Owner's signature

□□ - □□ - □□□□  
Date signed (mm/dd/yyyy)

\_\_\_\_\_  
Joint Owner's signature

□□ - □□ - □□□□  
Date signed (mm/dd/yyyy)



\$242203

**Disclosure of surrender charges if existing annuity is replaced or exchanged**

Existing annuity Contract number: \_\_\_\_\_

Annuity total value: \$\_\_\_\_\_ Annuity surrender value: \$\_\_\_\_\_

Surrender charges applicable at exchange \$\_\_\_\_\_ ~ this is the estimated amount that will be deducted from the existing annuity's total value if surrendered, replaced, or exchanged, with an anticipated surrender date of \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_.<sup>1</sup>

Date (mm/dd/yyyy)

Have you surrendered or exchanged an annuity Contract in the last 36 months?  Yes  No

If yes, provide details (including company names, dates of transactions, excluding penalty free, etc.):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Acknowledgments and signatures**

I acknowledge that I have provided the Applicant with a completed and signed copy of this form.

\_\_\_\_\_  
Agent's name (print)

\_\_\_\_\_  
State license number (required for Florida)

□□ - □□ - □□□□

\_\_\_\_\_  
Agent's signature

\_\_\_\_\_  
Date signed (mm/dd/yyyy)

**Note:** No questions or response areas are to be left blank when offered to the Annuitant and/or applicant for signature. If any information requested is unavailable, not applicable or unknown, the insurance agent or insurer must indicate that. Complete separate forms for any additional contracts proposed for replacement.

**Attention Florida agents:** this form must be returned to North American within 10 days of client(s) and agent signature dates.

The Owner may substitute their initials for signatures on all form pages with the exception of the signatures below, which are **required**.

**Applicant: do not sign this form if:**

- 1. 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.

\_\_\_\_\_  
Owner's name (print)

□□ - □□ - □□□□

\_\_\_\_\_  
Owner's signature

\_\_\_\_\_  
Date (mm/dd/yyyy)

\_\_\_\_\_  
Joint Owner's name (print)

□□ - □□ - □□□□

\_\_\_\_\_  
Joint Owner's signature

\_\_\_\_\_  
Date (mm/dd/yyyy)



\$242204

**Explanation of terms**

“**Generic Contract type**” is the generic name of the annuity Contract form as approved by the Florida Office of Insurance Regulation or your state insurance department. Examples of generic annuity Contract names are Flexible premium equity indexed annuity (FPEIDA), Single premium immediate annuity (SPIA), Flexible premium variable deferred annuity (FPVDA), Single premium deferred annuity (SPDA), and Multi-year guarantee annuity (MYGA).

“**Marketing/product name**” is the name adopted by the insurer to identify the Contract form.

“**Qualified Contract**” means a product used to fund any type of pension plan approved by the Internal Revenue Service.

“**Annuity maturity date**” is the final date of termination of the Contract at which time the proceeds of the Contract must be paid out.

“**Death benefit amount**” is the net amount that would be paid to the Annuitant's designated Beneficiary or Beneficiaries of an existing annuity, or the death benefit that the proposed replacement policy would pay as of the Contract issue date.

“**Change of Annuitant upon death available**” is a provision that allows another person to become the Annuitant upon the death of the original Annuitant allowing the Contract to remain in force.

“**Surrender charge period**” is the number of annuity Contract years a surrender charge may be applicable.

“**Initial surrender charge percentage rate**” is the original percentage rate that is deducted from annuity values at the inception of the existing annuity Contract, or that will be deducted from the recommended replacement Contract at its inception if purchased.

“**Surrender charge percentage schedule for remaining years**” the percentage rate that would be deducted from the existing annuity Contract if surrendered, or for any withdrawals exceeding the "free withdrawal" limit.

“**Free withdrawals**” are the withdrawals that may be taken from an annuity's values that are not subject to surrender or other charges and are a provision of the annuity Contract.

“**Annual free withdrawal percentage rate**” is the percentage of available funds that may be withdrawn from an annuity Contract, generally on an annual basis and is stated in the annuity Contract.

“**Describe any potential tax penalty for surrender/sale/exchange/annuitization**” Potential tax liability associated with surrender (partial or full), exchange, penalty free distribution or annuitization. For further information, consult with your personal tax advisor professional.

\_\_\_\_\_  
Owner's signature

-  -

Date signed (mm/dd/yyyy)

\_\_\_\_\_  
Joint Owner's signature

-  -

Date signed (mm/dd/yyyy)



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**Explanation of terms (continued)**

**“Waiver of surrender charge benefit or similar benefit or provision”** is a benefit that is built into individual annuity Contracts or added by rider, endorsement or amendment. The benefits are triggered by a qualifying event associated with either the Annuitant or Owner, as specified in the Contract.

**“Minimum guaranteed interest rate”** is the minimum interest rate payable under the annuity Contract as guaranteed by the insurer in the annuity Contract.

**“Current minimum guaranteed interest rate”** is the rate the company decides to credit to your Contract at a particular time; this rate is commonly higher than the minimum guaranteed rate.

**“Interest rate cap/term”** this is the maximum rate of interest the annuity will earn.

**“Index margin/term”** the percentage amount that is subtracted from the percentage change in the index value. This percentage is sometimes referred to as the “margin” or “spread”.

**“Participation rate”** the participation rate decides how much of the increase in the index will be used to calculate the index-linked interest.

**“Indexing method”** means the approach used to measure the amount of change, if any, in the index and includes annual reset (ratcheting), high-water mark and point-to-point. The index term is the period over which index-linked interest is calculated.

**“Market value adjustment”** is the increase or decrease in the surrender value of the Contract that is adjusted to reflect market fluctuations.

**“Initial bonus percentage or amount”** is a bonus paid by the insurer, generally, at inception of the annuity Contract, and may be expressed as a percentage of the initial premium or other amount, or a dollar amount, and must be stated in the annuity Contract applied to accumulation value.

**“Potential loss of premium bonus if exchanged”** refers to whether any bonus would be lost if the annuity Contract was exchanged or terminated for any reason.

**“Surrender charge”** is the amount deducted from annuity Contract values upon surrender of an annuity, or for withdrawals exceeding any free withdrawal provision of the Contract, regardless how this charge is titled in the policy, e.g., deferred sales charge.

**“Administrative fees or margins”** are charges that amount to the difference between the percentage gain in the index and the actual amount credited to the annuity Contract.

**“Asset fees”** are the fees the insurer charges that are a percentage of the value of the annuity Contract.

\_\_\_\_\_  
Owner’s signature

-   -      
Date signed (mm/dd/yyyy)

\_\_\_\_\_  
Joint Owner’s signature

-   -      
Date signed (mm/dd/yyyy)



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