

84-24 Disclosure Form Instructions for Employee Benefit Plans and IRAs (Fixed Rate Annuities)

GENERAL CONSIDERATIONS:

1. It is intended that the disclosure form contains only the information that the exemption requires to be disclosed to IRA and employee benefit plan (“Plan”) owners. There are other requirements that must be satisfied, described below. These may be added to the disclosure form but are not required.
2. In recommending a fixed rate annuity, the agent must act in the Best Interest of the IRA or Plan owner.
3. All statements by the agent about the recommended contract, fees, and Material Conflicts of Interest must not be materially misleading. Failure to disclose a Material Conflict of Interest is considered to be misleading. Information about the contract, carrier, Material Conflicts of Interest and additional fees for holding the contract must be included on the disclosure form.
4. The transaction must be effected in the ordinary course of the agent’s business, must be on terms at least as favorable to the retirement investor as an arm’s length transaction with an unrelated party would be, and the commission to be received by the agent must not exceed reasonable compensation for the services provided.
5. The agent must not be a trustee or fiduciary with discretionary authority over the investment of assets of the IRA or Plan.
6. The disclosures must be provided in writing prior to execution of the transaction.
7. After receipt of the disclosures, and prior to execution of the transaction, the IRA or Plan owner must acknowledge in writing the receipt of the disclosures (by signing them) and approve the transaction.

SPECIFIC INSTRUCTIONS:

1. The annuity contract and the issuing insurance company should be identified in the form.
2. If the agent is an Affiliate of the insurance company, that should be specified.
3. If the agent’s ability to recommend annuity contracts is limited by an agreement, it should be affirmatively stated. If so limited, the affirmative statement should be included in the form given to the IRA or Plan owner.
4. The agent’s commission for the first year and each succeeding year should be disclosed where indicated on the form.

The commission should be disclosed as a percentage of gross annual premium payments, asset accumulation value, or contract value.

5. The form needs to disclose Other Charges, Fees, and Discounts which may be imposed under the recommended contract.

All such conditions should be disclosed, as well as their financial impact.



6. The 84-24 exemption conditions its relief on, among other things, the requirement that the statements by the insurance agent “about recommended investments, fees, Material Conflicts of Interest, and any other matters” relevant to an IRA or Plan owner’s decisions are not materially misleading at the time they are made. The failure to disclose a Material Conflict of Interest is considered to be a misleading statement.

The disclosure form provides space for the agent to disclose any Material Conflicts of Interest.

7. The disclosure form provides for the date, name, and signature of the agent. That should be completed at or near the time of delivery.
8. The completed written form must be delivered to the IRA or Plan owner and approved and signed by the IRA or Plan owner prior to the execution of the transaction.
9. The completed and signed disclosure form must be maintained for a period of six (6) years, in a manner that is reasonably accessible for audit and examination. It is your responsibility to maintain this documentation. Please do not send it to Mutual of Omaha.
10. If more than one year has passed since this disclosure was made, a new 84-24 disclosure must be made for additional recommendations for purchases.

DEFINED TERMS:

Affiliate:

The term “Affiliate” of a person means:

- (1) Any person directly or indirectly controlling, controlled by, or under common control with the person;
- (2) Any officer, director, employee, or relative of any such person, or any partner in such person;
or
- (3) Any corporation or partnership of which the person is an officer, director, or employee, or in which the person is a partner.

Best Interest: This means that the agent must act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, based on the investment objectives, risk tolerance, financial circumstances and needs of the retirement investor, without regard to the financial or other interests of the agent or any affiliate or other party.

Material Conflict of Interest: A material conflict exists when a person has a financial interest that a reasonable person would conclude could affect the exercise of its best judgment as a fiduciary in rendering advice to a plan or IRA or Plan.

Other Charges, Fees, and Discounts: Charges, fees, discounts, penalties, or adjustments which may be imposed under the recommended contract in connection with the purchase, holding, exchange, termination, or sale of the contract.



UNITED OF OMAHA LIFE INSURANCE COMPANY

A MUTUAL of OMAHA COMPANY

Disclosure Statement for Purchase with Plan or IRA Assets of an Annuity Contract and Receipt of a Sales Commission

Purchaser (insert name of Plan or IRA to which the offer is made):

Insurance Company Name and Product (insert name of insurance company and description of Product):

These disclosures are being provided to Purchaser in connection with recommendations by Agent for the purchase of an annuity contract (the "Product" or "Contract") from an insurance company (the "Insurer") by Purchaser using assets of the Plan or IRA identified above.

1. Information regarding Agent:

Agent is affiliated with the Insurer whose contract is being recommended.

If so, describe the nature of the affiliation: _____

Agent's ability to recommend insurance or annuity contract is limited by any agreement with the Insurer identified above. If so, describe the limitation: _____

The Agent is not an affiliate of the Insurer whose contract is being recommended and the ability of the Agent to recommend insurance or annuity contracts is not limited by any agreement with the Insurer whose contract is being recommended.

2. The Insurer will pay commissions for the sale of this Product. In addition, the Insurer may provide additional sales incentives and/or pay additional amounts to other third parties that are involved in the marketing, training, administration, wholesaling, supervision of the Agent, or issuance of the Contract. These parties may also allocate a portion of such amounts to the Agent.

3. The commission to be paid to Agent by the Insurer in connection with the purchase of the recommended Contract is [check box that applies and fill in the applicable lines]:

Annual Premium Contract

- ____% of the gross annual premium payments for the first year of the Contract; and
- ____% of the gross annual premium payments for each succeeding year of the Contract.

Single Premium Contract

- ____% of Contract premium paid upon issuance of the Contract
- ____% of Contract premium for each succeeding year Contract is in effect



4. Additional charges

Annuity contracts include certain charges imposed by the Insurer as the issuer of the contract. These may include surrender charges, bonus recapture provisions, market value adjustments, or fees for optional annuity contract features available through a rider to the contract. If you are acquiring an annuity, the specific charges, fees, and provisions applicable to your annuity Contract are described in detail in the annuity disclosure form that has been provided to and signed by you in connection with your annuity application. It is important that you understand the charges that may be imposed under the annuity Contract you are purchasing, so if you have any questions, please ask the Agent for more information.

5. Material Conflicts of Interest

Agent has the following potential material conflicts of interest in recommending the sale of this Product: _____

Not applicable.

Acknowledgement/Approval

I acknowledge receipt of the information contained in this disclosure for the purchase referenced above. I approve the purchase of the Contract as well as the compensation and other charges disclosed for that contract.

Dated: _____

Signature of Purchaser

Dated: _____

Signature of Agent

Name of Agent (please print)

Note: The purpose of this disclosure form is to provide important information for the Purchaser to consider in determining whether to purchase an annuity contract with Plan or IRA assets. The information is intended to satisfy the requirements and conditions of U.S. Department of Labor Prohibited Transaction Exemption 84-24.

