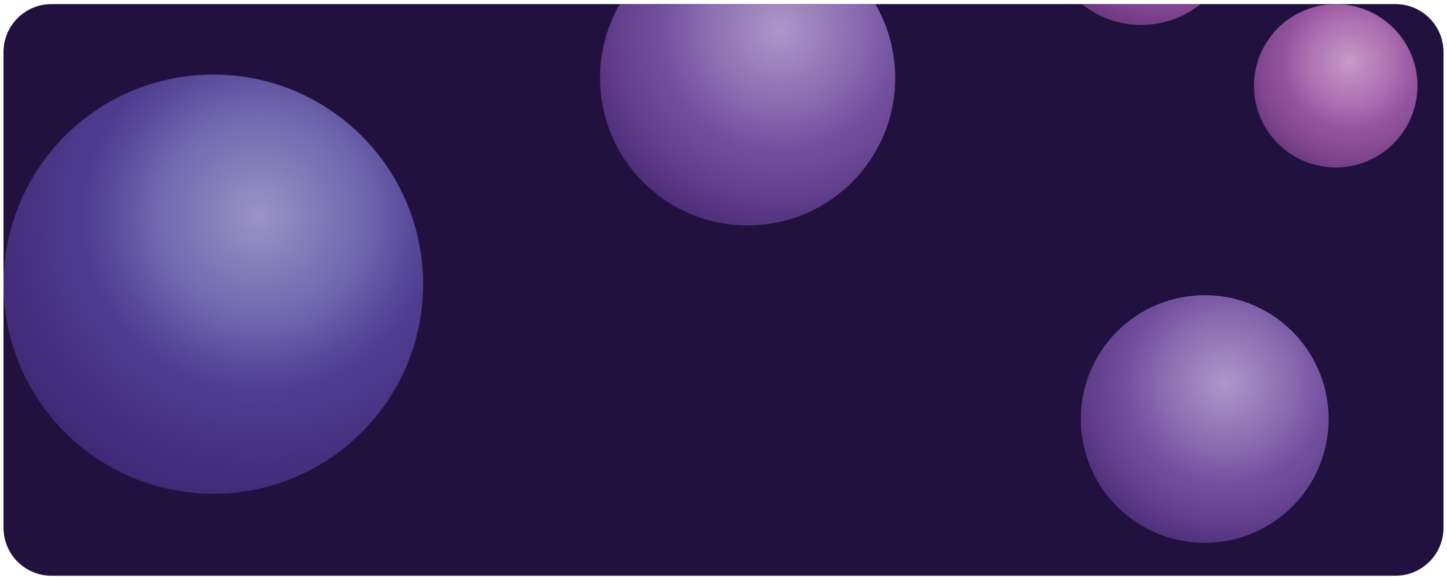

Your guide to Corebridge Financial suitability standards & processes

Corebridge annuities can be suitable for a variety of planning needs for people seeking to protect and grow their retirement savings, as well as those desiring protected lifetime income.

This guide is intended to assist you in making a suitable recommendation and understanding the Corebridge suitability process,[1] and will help you:

- Be well prepared throughout the sales process
- Understand the **Guidelines**: Know what might trigger questions. Concerns include situations when liquidity is low, an annuity contract or life insurance policy is replaced, or the annuity does not appear to meet the client's long-term goals
- Be prepared if the Corebridge Suitability Team requests more information
- Be aware of what Corebridge is unlikely to approve
- Know how to ask for help—we can review cases on a pre-sale basis!

[1] Producers must ensure that products are suitable for or in the best interest of the customer, as required by applicable laws, regulation and regulatory guidance. A sale must be reviewed under the Corebridge Annuity Suitability Program, unless Corebridge has made arrangements to have your firm conduct suitability supervision.

Be well prepared throughout the sales process

Know what tasks need to be completed, and what information you need to help determine suitability, before submitting an application:

- Ensure that you have all appropriate licenses, appointments, and trainings completed prior to soliciting the sale. We cannot accept applications dated prior to the completion of the required training(s).
- Determine if the new sale or replacement annuity meets your client's needs and goals.
- Set expectations with the client. Completing the Client Profile Form in its entirety will assist you with this process. Explain that Corebridge must review the application for suitability and additional information may be needed.
- Using the Owner Acknowledgment and Disclosure Statement (OA) and other approved materials, discuss the details of the annuity including any riders, allocations, fees, and potential penalties.
- If replacing an annuity or life insurance, do not surrender the existing contract or policy in advance. Corebridge will complete any necessary requests for funds or advise when the contract is ready to be funded.
- If there are multiple funding sources and/or premiums used to fund an annuity, ensure all amounts and sources of funds are indicated on the application and Client Profile form. If Corebridge receives funds that were not listed on the Client Profile form, Corebridge may not be able to accept the additional funds.

Annuity suitability guidelines

The Corebridge Annuity Suitability Program helps to ensure each client purchases a product that meets his or her specific needs. Key considerations include the client's age, employment status, concentration of assets, financial goals, available liquidity, investment risk profile and other factors that can influence the client's financial circumstances. While not an exhaustive list, below are some common areas that can trigger questions regarding annuity suitability.

1. Liquidity & annuity holdings

When evaluating **liquidity,** Corebridge measures the client's liquid assets relative to the client's annual expenses.

When evaluating client **annuity holdings,** we are particularly concerned when the individual sale represents more than 50% of a client's net worth in annuities (excluding primary residence), or when total value of annuities held by the client represent 70% of a client's net worth (excluding primary residence).

Consider:

- Will the client have liquid asset reserves in the event of unforeseen liquidity needs?
- If the client is adding to existing annuity holdings, how does this proposed annuity serve the client's goals in a way that is not already being accomplished?
- Does the client's annual income cover their annual expenses?

2. Annuity replacement

When replacing an existing annuity or annuities,[2] it is important to consider the whole transaction, specifically the following, as applicable:

Consider:

- What has changed for the client such that current annuity(ies) will no longer meet his/her goals?
- How will the new annuity substantially benefit the client in comparison to the existing product?
- Is the client willing and able to be subject to a new withdrawal charge (sometimes called Contingent Deferred Sales Charge or CDSC) and corresponding reduction in their overall liquidity?
- If you are recommending a replacement of an index annuity with another index annuity, what is the benefit of the exchange? Generally, anticipated performance and availability of crediting strategy(ies) should not be the sole reason for the exchange when a withdrawal charge is involved, and any other impact to the client should also be acknowledged.
- If you are recommending a replacement of a fixed annuity with an index annuity, have you carefully considered whether it's suitable for your client to give up the guaranteed rates offered on the existing product for the non-guaranteed performance related to growth of the index crediting strategy(ies) in the new annuity?
- If the client's current annuity(ies) have a living or death benefit that is not available on or different from the new product, how does this replacement better align with the client's current needs? Does the client understand what benefits they may lose as a result of the replacement? Keep in mind, all deferred contracts can be annuitized and many include an income rider, so if the goal is income, the annuitization and income values should be compared to the income payouts available on the new contract.
- What are the guarantees offered on the existing product, and why is the client willing to replace them with the new product? If the guarantees under the existing product are higher than under the new product, what other features or guarantees provided by the new annuity are more beneficial to the client that justify the loss of the existing guarantees?

[2] Replacements have a 13-month "look-back" period. Any funds that originated in an annuity in the past 13 months, regardless of their current source, are considered to be a replacement.

3. Other considerations

It's important to think long-term. Annuities are long-term insurance products designed for retirement purposes.

Consider:

- Does the client anticipate accessing the funds, other than for required minimum distributions, prior to the end of the withdrawal charge period?
- If the funds are qualified and the client is under age 59½, does he/she anticipate accessing the funds prior to reaching age 59½, which may result in a tax penalty?
- In most cases, annuitization is required at age 95. While some of our benefits may continue after annuitization, if your client is seeking continued deferral or access to contract value after age 95, is there a strategy for that goal?
- If the client is purchasing a living benefit rider, does the feature align with the client's income goal and long-term income plan?
- In most cases, potential performance should not be the sole reason for a replacement. For Index Annuities specifically, clients must understand that performance is not guaranteed and they should never rely on back tested or historical performance in illustrations as an expectation of future performance.

Three keys to avoiding delays

Most applications are reviewed within 1-2 business days, but incomplete paperwork or inconsistent responses may delay the process. Following these three best practices can help us process your application promptly. Be sure that your responses are:

1. **Thorough**. Complete all sections of the required paperwork, ensure all data is accurate, and obtain client signatures. Any updates or changes made to the information after the initial submission will require returning the form to the client for their initials or signature.
2. **Clear.** Provide a detailed explanation where requested.
3. **Legible.** Make sure your response is legible if it is handwritten.

Guidance for providing Agent Acknowledgement and Disclosure responses.

The Corebridge Financial Client Profile Form includes a section for the agent to acknowledge some of their responsibilities in making a suitable, and where applicable, best interest recommendation.

The agent should acknowledge:

- Whether the client has been educated about both the favorable and unfavorable features of the product.
- Whether there are any limitations on the products available to them, and that they are appropriately licensed/registered to recommend
- How they will be compensated for their recommendation.

Where a replacement is taking place:

The agent should consider the impact of the replacement and acknowledge whether any features or benefits will be reduced when the new contract is issued. The form allows an agent to disclose whether any of the following specific features will be lost or reduced:

- Loss of higher guaranteed interest rates
- Reduction in guaranteed income at issue
- Forfeiting living benefit/living benefit base value
- Reduction in death benefit/death benefit base value
- Loss of other riders (waiver riders, premium enhancement, guaranteed return of premium, etc.)

Please Note: A description about the specific features or values that will be lost or reduced must always be included.

When indicating the reasons that support the basis of the recommendation, consider:

- Are the reasons selected consistent with the product being recommended?
- Do the basis of recommendation reasons support the client goals?
- In the event of a replacement, do the reasons selected on the Client Profile Form appropriately illustrate the substantial benefit to the client over the life of the proposed annuity?
- If there are other factors that were considered and not adequately described within the options provided on the Client Profile Form, then provide a brief explanation in the section for other comments

Be prepared if the Corebridge Suitability Team requests more information

We may request additional information to explain why the recommendation is being made and how this purchase will meet the client's goals. You can help the suitability process by explaining the recommendation in an individualized cover letter. Situations that may require additional information can include, but are not limited to:

- Clients have a household income of $25k or less.
- Annual expenses are 80% or more of the client's annual income.
- Client's liquidity will not cover expenses in the case of an emergency.
- Purchasing this annuity will prevent client from meeting liabilities and obligations (including mortgage loans, auto loans, credit card debt, insurance premiums, etc.).
- Client anticipates taking distributions that incur a withdrawal charge, exceed living benefit withdrawal requirements, or that may result in pre-59½ additional 10% federal tax.
- Client is replacing an existing annuity within the withdrawal charge period.
- If replacing an annuity contract, and guaranteed income is a goal, we may ask for documentation demonstrating the amount of the current income stream available on, or an annuitization quote for, the existing annuity.
- The basis of recommendation reasons are inconsistent with the product features, client's financial goals, client's intended use of the annuity, or do not clearly identify the benefit to the client.

Be aware of what Corebridge is unlikely to approve

While not all-inclusive, these are examples of cases the Corebridge Suitability Team generally will not approve:

- Annuity purchases funded by a loan or if the client has a reverse mortgage.
- Client does not anticipate keeping the annuity for the duration of the withdrawal charge period.
- Replacement purchases that will result in a net cost to the client of greater than 5% (net cost includes withdrawal charge with +/- market value adjustment).
- Replacement purchases where the guarantees (for example, Guaranteed Minimum Interest Rate) of the existing product are better aligned with the client's goals than the product being purchased.
- Less than 6 months of liquid assets to cover household expenses after the purchase of the annuity.
- Premium Enhancements/bonuses offered on new contracts to offset an existing withdrawal charge.
- Purchasing a Corebridge annuity in order to qualify for means-tested government benefit programs.
- An aggressive risk tolerance when the type of annuity being purchased is a Corebridge Index or Fixed Annuity.

Know how to ask for help

We can review cases on a pre-sale basis!

To submit a case for preliminary review, complete and send us the Client Profile form. We do not require a signed document for a preliminary review. The approval is not considered final until we receive a signed Client Profile form with the approved preliminary information along with the application submission.

Thank you for considering a Corebridge Index or Fixed Annuity for your client! We're happy to assist with suitability questions or pre-sale reviews.

Email us: SuitabilityReview@corebridgefinancial.com

IMO/BGA (Indirect) channel: 1.888.438.6933, Option 2

Corebridge wholesaler (Direct) channel: 1.800.445.7862

Annuities are long-term products designed for retirement. Withdrawals may be subject to federal and/or state income taxes. A 10% federal early withdrawal tax penalty may apply if taken before age 59½. Retirement plans and accounts such as 403(b)s, IRAs, 401(k)s, etc., can be tax deferred regardless of whether or not they are funded with an annuity. A purchase in an annuity within a plan does not provide additional tax-deferred treatment of earnings. However, annuities do provide other features and benefits.

Index annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the claims-paying ability of the issuing insurance company. They provide the potential for interest to be credited based in part on the performance of the specified index, without the risk of loss of premium due to market downturns or fluctuations. Index annuities may not be appropriate for all clients.

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice, clients should consult the appropriate professional.

Annuities issued by **American General Life Insurance Company** (AGL), Houston, TX, except in New York, where issued by **The United States Life Insurance Company in the City of New York** (US Life). Certain annuities are issued by **The Variable Annuity Life Insurance Company** (VALIC), Houston, TX. Variable annuities are distributed by **Corebridge Capital Services, Inc.,** member FINRA. Guarantees are backed by the claims-paying ability of the issuing insurance company and each company is responsible for the financial obligations of its products. Products and services may not be available in all states and product features may vary by state. **AGL does not solicit, issue or deliver policies or contracts in the state of New York**.

The purchase of an annuity is not required for, and is not a term of, the provision of any banking service or activity.

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