

# Annuity Suitability Producer's Guide

NAIC Revised Model



**AMERICAN**  
**NATIONAL** 

# What Is The Purpose of This Guide?



This guide has been designed to assist you in completing the Annuity Suitability Questionnaire / USA PATRIOT Act Form as well as provide you with a better understanding of why American National needs this information.

## Why is This Important?

All recommendations for the purchase or exchange of an annuity product should be in the consumer's best interest based on information **known by the insurance agent at the time the recommendation is made**. Prior to making a recommendation for the purchase or exchange of an annuity product, the insurance agent should make a reasonable effort to obtain suitability information from the consumer regarding his or her insurance needs and financial objectives. Insurers are also required to determine the suitability of a transaction for your client.

To assist you in gathering necessary information, we have given you the Suitability Questionnaire / USA PATRIOT Act Form. This form has carefully crafted questions that can provide you with a clear picture of your client's needs, financial objectives and financial status, so you can be confident in making your recommendation.

Failure to fully complete this form will result in delays in processing and/or rejection of the application.

## American National Needs Your Help!

One thing to consider is that we were not in the room when you spoke to the client about this transaction. So when we review the annuity contract forms, we may be getting only part of the conversation. Therefore, American National needs your help putting the pieces together to make the annuity transaction go smoothly for you, your client and for us. Here are a few things to remember when submitting an annuity application to American National.

Have you taken the annuity product-specific training that American National requires each insurance agent to complete prior to selling annuities for American National? If not, be sure to complete this training prior to submitting any annuity contract applications.

Have you or your client filled out all of the required annuity contract forms? Any forms that have not been completely filled out may delay processing. Your client will also be required to initial any updates to the forms. So, make sure that all documentation is in good order prior to submitting the application to alleviate processing delays.

Remember that less is not always more. Providing us with any additional information about the transaction will assist us in understanding your rationale for making the recommendation. This will also cut down on phone calls and/or emails to obtain additional information about the transaction and avoid unnecessary delays.

## ▶ Owner/Joint Owner Information Section

1 Owner Information		
<p>▶ <b>NOTE:</b> If a Trust will be the owner, complete this form using the Trust's financial information. You may include the financial information of the grantor, if living.</p> <p>Any additional information that provides a more complete understanding of the suitability of a trust arrangement should be included in written form on page 6. All trust documentation must accompany this form or submit the Trust Certification (Form 10287).</p>		
Full Name of Owner/Grantor/Partner	Age	Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Single
Joint Owner/Grantor/Partner (if applicable)	Age	Work Status: <input type="checkbox"/> Part-time <input type="checkbox"/> Full-time <input type="checkbox"/> Retired <input type="checkbox"/> Unemployed

### Tips for the Owner Information section:

- If the owner is an entity or non-natural owner, use the entities or non-natural owner's information to complete the form.
- If the owner is not currently employed, please be sure to include additional information about the owner's source of income in the Explanation of Transaction section.
- Non-Spousal Joint Owners must complete separate forms for each person.

### Heightened Supervision:

- When your client is 65 or older, it's crucial to consider all aspects of the transaction including the product surrender charge period and surrender charges, and your client's life stage and liquidity needs. You must be able to demonstrate a substantial financial benefit for this purchase. Please utilize the "Explanation of Transaction" section on the form to provide an explanation if the scenario falls within the specified age range.

## ► Financial Profile Section

### 2 Financial Profile

1. a) Annual Gross Income \$ \_\_\_\_\_
- b) Source of Income (Check all that apply):
- Salary (W-2)       Investments       Social Security       Pension Plans
- Reverse Mortgage       Self-Employed       Other \_\_\_\_\_
2. a) Annual Debt and Obligations \$ \_\_\_\_\_
- b) Types of debts and other obligations (**common examples may include mortgage, rent, healthcare, credit card payments, car loan, personal loan, insurance premiums**):
- Recurring Household Expenses (groceries, utilities, etc.)     Mortgage     Rent     Taxes     Transportation Costs
- Lifestyle and Travel Expenses     Healthcare     Credit Card Balances     Personal Loans     Car Loans
- Notes and Accounts Payable     Higher Education Expenses/Loans     Child Support     Alimony
- Childcare Costs     Judgements, Liens, or Levies     Other \_\_\_\_\_
3. a) Liquid Net Worth, prior to the annuity purchase you are considering (**common examples of liquid assets include checking account, savings account, money market account**) \$ \_\_\_\_\_
- b) If you purchase an annuity, will your income and liquid net worth be enough for living expenses, including medical expenses and emergencies?     Yes     No
- If Yes**, how many months of living expenses can your Liquid Net Worth cover?
- 1 – 3 months     4 – 6 months     7 – 12 months     13+ months

► **NOTE:** Many financial planners recommend that a person maintain an amount of liquid net worth equal to 3 to 6 months of a person's monthly living expenses in case of emergencies.

### 2 Financial Profile (Continued)

4. Total Net Worth (**this is the full value of your assets, minus any loans or financial obligations**)
- \$ \_\_\_\_\_
5. Do you anticipate any material changes in your annual household income, financial situation and needs (**including debts and other obligations**), existing assets, liquidity needs, or liquid net worth during the surrender charge period of this annuity? (**Material change period should align with the deferral period of the product applied for.**)
- Yes     No
- If Yes**, provide details (**check all that apply**):
- Retirement     New Job/Business Venture     Real Estate Purchase
- Large Purchases (e.g. boats, cars, recreational vehicles, jewelry, etc.)     Higher Education Expenses
- Pending Lawsuit/Judgement     Balloon Payment (e.g. car lease, mortgage payment)     Other
- If Other, please provide details \_\_\_\_\_
6. What is your estimated Federal Income Tax Bracket?
- 10%     12%     22%     24%     32%     35%     37%
7. Do you have any insurance needs not currently addressed?     Yes     No
- If Yes**, check all that apply:
- Life Insurance (self, spouse, child(ren))     Long Term Care     Personal/Commercial Liability
- Business Insurance     Medical     Disability Insurance
8. Have you taken or do you intend to take a reverse mortgage in the next 12 months on your personal residence?     Yes     No
9. Are you currently living in or are you planning on living in an assisted living facility within the next 3 years?     Yes     No
- If Yes**, will this purchase impact your ability to meet this health care financial need or other potential emergencies?
- Yes     No

## ► Financial Profile Section (Cont.)

### Why the Financial Profile section is important:

- Knowing a client's annual household income, and how they obtain that income, can tell you if they have enough funds to cover everyday expenses. Knowing the household income of an unemployed client is especially important because it helps you evaluate the whole picture.
- Annuities have surrender charges. It is important that your client be able to provide for their current living expenses and any expenses that occur because of an emergency or unexpected medical issue.
- The client's tax status can be an indicator as to what the client is trying to accomplish with this annuity and is also an indicator of their income and relative affluence. If the client is in a higher tax bracket: they may be purchasing the annuity as a means to defer their tax burden. If a client is a senior and indicate that they have only have social security as their income yet check that they are in a higher tax bracket, you might be missing information that is important to this transaction.
- Understanding the insurance needs of your client ensures that all of their needs are addressed when offering them any product and you are looking at their financial situation as a whole.
- Due to the high costs associated with Assisted Living Facilities and Nursing Homes, it is important to understand your client's need for funding for these services in the near future. It may be unwise to lock up money in an annuity with surrender charges. Your client may, however, be using an annuity as a means to distribute funds to family members in order to meet Medicaid requirements to assist in the costs for these facilities.
- Before recommending an annuity for purchase, the insurance agent should review the current financial situation to determine if the product being proposed will help the consumer attain those goals and objectives.

### Heightened Supervision:

- When applying for an annuity, your client's annual gross income must be sufficient to justify the purchase. If your client's annual gross income is not above \$20,000 or an amount that may not provide adequate liquidity after the purchase, use the "Explanation of Transaction" section on the form to provide an explanation.
- If the source of income is from a reverse mortgage or your client intends to take a reverse mortgage in the next 12 months, the application will be declined.
- If the source of income is from social security, please ensure that your client's income supports this purchase. Use the "Explanation of Transaction" section on the form to provide an explanation if the scenario includes these income sources.
- The annual debt and obligations of your client should not exceed approximately 70% of their annual gross income.
- Your client should have enough income and liquid net worth to cover their living expenses and emergencies for at least 4 months.
- If your client expects any significant changes to their annual household income or obligations, use the "Explanation of Transaction" section on the form to explain how this annuity is still in their best interests.
- If your client currently lives in or plans to live in a nursing home, and this affects their ability to afford their needs or emergencies, they will be declined.

## ▶ Financial Objective Section

### 3 Financial Objective

1. Do you currently own or have experience with any of the following investments and insurance products?

Considering the following investments and insurance products, provide your level of experience with each option. Choose the corresponding number to answer (**answer all that apply**):

**1** = One year or less   **2** = Two to five years   **3** = Six years or more

Mutual Funds	_____	401(k) Plans	_____	Stocks	_____
Bonds	_____	CDs	_____	Savings Accounts	_____
Life Insurance	_____	Annuities	_____	Other	_____

2. In considering this product, what is your risk tolerance?

- Conservative - Low Risk: I want to preserve minimal risk, even if that means the account does not generate significant returns.
- Moderate - Medium Risk: I am willing to accept some risk for higher return, even if that means losing some principal.
- Aggressive - High Risk: I am willing to accept maximum risk to seek maximum return.

3. What is the intended use of this annuity? (Check all that apply)

- Immediate Income
- Growth
- Estate Planning
- Death Benefit
- Safety of Principal
- Lifetime Income
- Free Withdrawal
- RMDs
- Tax Deferral
- Retirement Income

#### Why the Financial Objective section is important:

- Knowing your client's investment experience, risk tolerance, and intended use of the annuity helps show if this transaction is one that they would normally enter into and that the annuity they are purchasing will meet their financial needs.

#### Heightened Supervision:

- When choosing immediate income or lifetime income as the intended use, ensure that the proposed annuity has an income feature.



## ▶ Accessing Funds Section

### 4 Accessing Funds

▶ **NOTE:** If this transaction is a Single Premium Immediate Annuity, do not answer the below section.

1. Are you willing to accept any non-guaranteed elements in the annuity, such as credited interest rates and policy values?  
 Yes  No
2. How long do you plan to keep this annuity?  
 Less than 1 year  1 - 5 years  6 - 9 years  10+ years
3. Do you intend to take withdrawals prior to the end of the surrender charge period?  Yes  No  
**If Yes, how will you take distributions from the contract prior to the end of the surrender charge period? (Note: Withdrawals prior to age 59 ½ may be subject to a 10% federal tax penalty.)**  
 Free Withdrawals  Distributions pre-59 ½ (If selected, please provide explanation in section 9)  RMDs  
 Lifetime Income Rider  Lump Sum  Lifetime Income through policy annuitization
4. Do you intend to take withdrawals of more than 10% of the annuity value?  Yes  No

#### Tips for the Accessing Funds section:

#### Heightened Supervision:

- There are tax penalties and surrender charges if premature annuity distributions are taken.
- Do not complete this section if your client is purchasing a Single Premium Immediate Annuity.
- Your client should be willing to accept any non-guaranteed elements of an annuity if they are not, the annuity may not be a suitable option for them.
- Each client should intend to keep the annuity for at least the duration of the contract. If they indicate a period shorter than the contract period, the annuity may not be a suitable option for them.
- When considering withdrawals, take into account the applicable surrender charges. If the client plans to make a withdrawal before eligible or in excess of 10%, use the "Explanation of Transaction" section on the form to provide an explanation of the intent of the early or excess withdrawal.

## ▶ Transaction Information

### 5 Transaction Information

1. Premium Amount \$ \_\_\_\_\_
2. Annuity Type  Qualified  Non-qualified
3. a) Is the source of funds from an existing or previously owned life insurance policy or annuity contract?  Yes  No  
**If Yes**, what is the insurance type of the previously owned policy or contract? (**Please complete section 6**)  
 Annuity  Life Insurance
- b) Have you replaced or exchanged any other life insurance policies or annuity contracts within the last 60 months?  
 Yes  No

▶ **NOTE:** The transaction may be considered to be a replacement even if the annuity contract or life policy was not fully surrendered, exchanged or liquidated.

4. a) If not an annuity or life insurance replacement, what source of funds will you use if you buy an annuity? (Check all that apply)  
 Checking Account  Savings Account  Money Market  Bank CD  Stocks/Bonds/Mutual Funds  
 Reverse Mortgage  Retirement  Other (please list) \_\_\_\_\_
- b) Will any potential charges or penalties be incurred by using the above funds?  Yes  No  
Amount \$ \_\_\_\_\_
- c) Is the person writing the check other than the proposed owner of the annuity?  Yes  No  
**If Yes**, who will be funding the policy?  Spouse  Parent  Child  Power-of-Attorney  
 Other \_\_\_\_\_

#### Why the Transaction Information section is important:

- When your sale involves the replacement of an existing life insurance or annuity contract, American National reviews the case to determine if the replacement is appropriate. Any additional details that may help American National determine that the proposed contract supports a financial benefit to the client should be included in the Explanation of Transaction section, or on a separate page.

#### Heightened Supervision:

- The premium amount should not exceed 70% of the liquid net worth. If the premium amount exceeds 70% of the liquid net worth use the "Explanation of Transaction" section on the form to explain how this transaction is appropriate for your client.
- If your client will incur charges or penalties when purchasing this annuity, use the "Explanation of Transaction" section on the form to detail how this product provides a substantial benefit for your client.



## ► Exchanges / Replacements

The insurance agent should consider the following when making a recommendation that involves the replacement of another annuity contract or life insurance product, or the exchange from another financial instrument:

- Surrender Charges
- Minimum Guaranteed Interest Rates
- Product Features
- Premium Enhancements
- Tax consequences

### Heightened Supervision:

- If your client incurs a loss in surrender values, interest rates, or market value adjustments, you must explain how this transaction will provide a substantial benefit over the life of the product in comparison to the existing product. Use the "Explanation of Transaction" section to provide a detailed explanation.

### 6 Replacements

In the case of an exchange or replacement the insurance agent must have reasonable grounds to believe that the transaction is suitable and will provide a substantial benefit in comparison to the replaced product, taking into consideration the information provided in response to the questions below.

► **NOTE: Section 6, letters A through P are required to be completed for all replacement transactions.** Provide the most recent statement for the existing contract.

	Contract 1	Contract 2	Proposed Contract
a) Company Name			American National
b) Product Name			
c) Contract Number			
d) Annuity Type: Fixed, Fixed Indexed, Variable			
If replacing an Indexed policy or contract, also complete Section 7. If replacing a Variable policy or contract, also complete Section 8.			
e) Issue Date			
f) Accumulated Value	\$	\$	\$
g) Surrender Value	\$	\$	\$
h) Market Value Adjustment (MVA) +/-			
i) Remaining Surrender Schedule			
j) Is there a Premium Enhancement or Bonus Recapture Charge? (Bonus Forfeiture?)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, provide amount	\$	\$	\$
k) Current Fixed Interest Rate	%	%	%
l) Minimum Guaranteed Renewal Interest Rate	%	%	%
m) Waiver of Surrender Charge Provisions?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, provide type of waiver(s)			
n) Policy and/or Rider Fees	\$	\$	\$
o) Are there any rider benefits being applied for?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, list type of rider benefits in the Explanation of Transaction section.			
p) Were you the agent that wrote this contract?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

## ► Exchanges / Replacements (Cont.)

### Tips for Replacements Sections:

- Section 6 letters A – P are required for all replacement transactions.
- In Section 6, Contract 1 and Contract 2 allow for information to be filled in on 2 replaced policies on one form.
- If replacing a fixed annuity to a fixed annuity – only Section 6 Letters A – P are required.

These questions review the benefits that may be gained or lost when purchasing the new annuity. Products vary from company to company and often have different riders and benefits so it is important for you to understand what your client will be losing or gaining in a replacement transaction.

<b>7 For Indexed Annuity Replacement Only</b>								
► <b>NOTE:</b> This section is required in addition to Section 6 if the existing contract is an Indexed Annuity.								
Components	Existing				Proposed			
	Option 1	Option 2	Option 3	Option 4	Option 1	Option 2	Option 3	Option 4
a) Issuing Company (Carryover from previous page)	American National							
b) Index (e.g. S&P 500®)								
c) Crediting Method (point-to-point, specified rate)								
d) Caps	%	%	%	%	%	%	%	%
e) Participation Rates	%	%	%	%	%	%	%	%
f) Spreads	%	%	%	%	%	%	%	%
g) Fees (Carryover from previous page)	\$	\$	\$	\$	\$	\$	\$	\$
h) Current Interest Rate	%	%	%	%	%	%	%	%

### Tips for Replacements Section 7:

- If the contract being replaced is an Indexed Annuity – you must fill out Section 6 and Section 7.
  - If the replaced policy is an indexed annuity and the proposed American National policy is a fixed annuity, the proposed columns in Section 7 can be left blank or filled in with N/A's.
  - Section 7 only allows for one replaced policy's information. If replacing 2 policies, please fill out Section 6 with both policies then provide a separate copy of section 7 for each policy being replaced.
  - Options 1, 2, 3, and 4 are for the 4 most allocated to index strategies and their corresponding information.
    - E.g. if allocated to 2 strategies, fill out Option 1 and 2. If allocated to 5 strategies, fill out all 4 options with the strategy information most allocated to.

## ► Exchanges / Replacements (Cont.)

### 3 For Variable Annuity Replacement Only

► **NOTE:** This section is required in addition to Section 6 if the existing contract is a Variable Annuity.

Components		Existing	Proposed
a)	Issuing Company (Carryover from previous page)		American National
b)	Death Benefit	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A
c)	Fixed account option available? If Yes, what is the interest rate?	<input type="checkbox"/> Yes <input type="checkbox"/> No %	N/A N/A
d)	Fees (Carryover from previous page)	\$	N/A
e)	Are you a FINRA Registered Representative?	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A

#### Tips for Replacements Section 8:

- If the contract being replaced is a Variable Annuity – you must fill out Section 6 and Section 8
  - Section 8 only allows for one replaced policy's information. If replacing 2 policies, please fill out Section 6 with both policies then provide a separate copy of section 8 for each policy being replaced.



## ▶ State-Specific Disclosures

### 10 State-Specific Disclosures

▶ **NEW JERSEY PRODUCERS PLEASE NOTE:** You should maintain in your files any other information you used or considered, not listed above, in making your recommendation.

Prior to selling individual fixed deferred and immediate annuity contracts directly to consumers, the Act requires insurers, insurance producers and non-licensed society producers, representatives or members to make reasonable efforts to obtain and record information regarding:

- the consumer's financial status,
- the consumer's tax status,
- the consumer's investment objectives, and
- any other information considered to be relevant to provide reasonable grounds for believing the annuity is suitable for the consumer.

The form containing this information must be signed and dated by the consumer and must also include information advising the consumer that the sale and suitability of annuities is regulated by the Department of Banking and Insurance and that 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 <https://www.state.nj.us/dobi>.

**(CALIFORNIA RESIDENTS ONLY)** - Do you intend to apply for means-tested government benefits, including but not limited to, Medi-Cal or the veterans' aid and attendance benefit?  Yes  No

**(CALIFORNIA RESIDENTS ONLY)** - If owner is 65 years old or older, was any part of the sales process performed in their home? (If yes, please complete and submit Form 4126)  Yes  No

#### Note:

California residents must answer the 2 state-specific questions pertaining to Medi-Cal and Senior In-Home Service.

#### Heightened Supervision:

- If your client plans to apply for means-tested government benefits in the state of California, their financial situation may not be suitable for this transaction.

# ► Recommendation Summary, Acknowledgement, and Signatures

## **1** Recommendation Summary, Acknowledgement and Signatures

### **Recommendation Summary**

I acknowledge that I have made a reasonable effort to obtain consumer profile information for the applicant as required by law. The compensation that I will receive for this sale did not influence the recommendation. I am recommending the purchase of \_\_\_\_\_

(Name of Specific Annuity)

I believe that this annuity is in the best interest of the applicant and suitable based on:

- The applicant's financial situation, insurance needs, and financial objectives;
- The applicant's consumer profile information contained in this form;
- The product information and disclosure in the annuity disclosure form given to the applicant;

\_\_\_\_\_  
**Print Name**

x \_\_\_\_\_  
**Signature of Insurance Agent**

\_\_\_\_\_  
**Date:** Month / Day / Year

\_\_\_\_\_  
**Print Name**

x \_\_\_\_\_  
**Signature of Additional Insurance Agent**

\_\_\_\_\_  
**Date:** Month / Day / Year

\_\_\_\_\_  
**Print Name**

x \_\_\_\_\_  
**Signature of Additional Insurance Agent**

\_\_\_\_\_  
**Date:** Month / Day / Year

\_\_\_\_\_  
**Print Name**

x \_\_\_\_\_  
**Signature of Additional Insurance Agent**

\_\_\_\_\_  
**Date:** Month / Day / Year

### **Owner/Trustee/Partner**

The information I have provided is true and complete to the best of my knowledge and belief.

- If I am exchanging my current annuity, I understand that with this exchange:
  - I am subject to the commencement of a new surrender charge period or commutation schedule; and
  - I will lose the existing contractual benefits.

x \_\_\_\_\_  
**Signature of Owner/Trustee/Partner**

x \_\_\_\_\_  
**Signature of Joint Owner/Trustee/Partner**

\_\_\_\_\_  
**Date:** Month / Day / Year

\_\_\_\_\_  
**Date:** Month / Day / Year

### **Why is this section important?**

- When you sign the Annuity Best Interest – Suitability Questionnaire / USA PATRIOT Act Form you are acknowledging that the annuity is suitable and in the best interest of your client.
- Please note: If there is any missing information, the consumer will be required to initial and date all changes.



# ▶ USA PATRIOT Act Notice

## 12 USA PATRIOT Act Notice To be read by or to customer

The USA PATRIOT Act requires that we have an Anti-Money Laundering (AML) Program, notify customers that we verify their identity, and collect documents and information sufficient to provide verification. Failure to provide the requested identification will result in delays in the issuance of the requested coverage and may result in a decision not to accept your business.

**Customer Identification Verification:** we require our Insurance Agent to review and verify a **current** government issued photo ID for **EACH Owner/Trustee/Partner** associated with a contract. Information on such identification must be record below. If the Owner is a minor or non-legal entity, we must review the identification of the individual who submits an application on behalf of the minor or non-legal entity. We may use third party sources to verify the information provided.

▶ **NOTE:** The following information should be recorded exactly as it appears on the identification reviewed. If more than two owners to a contract, submit an additional USA PATRIOT Act Notice.

Name of Owner/Trustee/Partner	Name of Joint Owner/Trustee/Partner (if applicable)
Street Address (Not P.O. Box)	Street Address (Not P.O. Box)
City _____ State _____	City _____ State _____
Zip _____ Date of Birth _____	Zip _____ Date of Birth _____
Number on ID _____	Number on ID _____
Identification Expiration Date _____	Identification Expiration Date _____
State or Country _____	State or Country _____
Form of ID used to verify the identification of the Owner/Trustee/Partner:	Form of ID used to verify the identification of the Joint Owner/Trustee/Partner:
<input type="checkbox"/> Driver's license	<input type="checkbox"/> Driver's license
<input type="checkbox"/> Passport	<input type="checkbox"/> Passport
<input type="checkbox"/> Resident Alien ID "Green Card"	<input type="checkbox"/> Resident Alien ID "Green Card"
<input type="checkbox"/> Other (describe): _____	<input type="checkbox"/> Other (describe): _____

1. Check the appropriate entity and **submit copies of documentation** indicating the existence of a legitimate business entity (e.g. Articles of Incorporation, Certificate of Limited Partnership, Joint Venture Agreement, or similar document/agreement governing the formation and operation of the entity).

- |                                                                     |                                                       |
|---------------------------------------------------------------------|-------------------------------------------------------|
| <input type="checkbox"/> Corporation, LLC, Professional Association | <input type="checkbox"/> Limited Partnership          |
| <input type="checkbox"/> General Partnership or Joint Venture       | <input type="checkbox"/> Trust and All Other Entities |

2. Insurance Agent Acknowledgement (check **one**):

- I certify that I personally met with the proposed Owner/Trustee/Partners and reviewed the above identification document. To the best of my knowledge, it accurately reflects the identity of the proposed Owner/Trustee/Partners.
- I was unable to personally review the identification documents for the reason stated below. I certify that, to the best of my knowledge, the information provided by the Owner/Trustee/Partners is true and accurate.

Reason for not reviewing document: \_\_\_\_\_

**Note:**

A separate USA PATRIOT Act Notice is required for each owner/trustee/partner/POA.



## Forms of Identification

If the ID has a P.O. Box for the address: Submit an additional form of acceptable ID that has the physical address.

### Forms of Identification accepted:

- State Issued Driver's License
- State Issued Identification Card
- State Issued Permit to Carry a Concealed Handgun
- Resident Alien ID (Green Card)
- Fully Signed Passport
- U. S. Issued Travelers Visa
- U. S. Post Office Employee ID
- Mexican Driver's License (provided it is issued by one of the 31 states or federal district)
- Work Visa
- United States Military/Military Dependent ID
- NASA Employee ID
- U.S. Department of Labor Employee ID
- U.S. Department of Corrections Employee ID
- DC Department of Transportation Employee ID
- United States Veterans Affairs ID
- Country of Guam Driver's License
- Employee ID for Bureau of Indian Affairs
- State Learner's Permit

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### Forms of Identification NOT accepted:

- Matricula Consular ID
- Registro Federal de Elector
- Tarjeta de Elector
- Library Cards
- Gym ID Cards
- Oklahoma Asbestos Worker Licenses
- Application for EIN
- Native American Tribal Enrollment Card
- Foreign driver's license unless accompanied by passport verification
- International Driver's License

## Alternate Ways to Establish Identity

Names & addresses on Proof of Address documents must match those submitted on new business applications. If the parent, spouse, or partner is also the owner or beneficiary and their documentation matches the address on the application, we can accept this documentation.

If an alternate form of identification is accepted, the company must also use Accurint or some other venue to confirm Social Security Number. All related documentation should be imaged to the client's file.

- **Utility bills showing current address** (Cannot be more than 2 months old; Excludes cell phone bills)
- **Vehicle registration**
- **Documentation from the IRS**
- **Statements or other reports** from recognized financial institutions issued since May 2006 and issued no more than twelve months prior to the application date.
- **School ID Cards** (age 18 and under)
- **DC Public School Employee ID**
- **W2 Payroll Stub**
- **Employee ID Cards** (Prior to this form of identification being deemed acceptable, Corporate Compliance must be contacted to research what type of identification requirements and background checks are in place as part of the hiring process at the employer. Employment Verification may also be required.)



**Annual Gross Income** – Total amount of earned income by the owner of the annuity. In cases of trusts, the amount can be the total amount of just the trust or the trust and the grantor of the trust combined.

**Liquid Net Worth** – The total amount of funds or assets available to the owner of the annuity that can readily be turned into cash without penalty.

**Market Value Adjustment** – A feature that combines the fixed interest rate guarantees in an annuity with an interest rate adjustment factor that can cause the surrender value of the annuity to fluctuate either positively or negatively in response to market conditions.

**Minimum Guaranteed Interest Rate** – For a fixed annuity, the minimum interest rate the insurer guarantees to pay on the accumulated value of the annuity for the life of the contract. The minimum rate is almost always stated when the annuity policy is issued, and usually ranges from 1.5% to 3%.

**Non-Qualified Annuity** – An annuity purchased outside of a tax-advantaged retirement plan or an IRA.

**Qualified Annuity** – An annuity that qualifies to receive favorable tax treatment and is purchased to either fund or distribute funds from a qualified retirement plan.

**Risk Tolerance** – The degree to which a person or organization is willing to accept risk.

**Reverse Mortgage** – A loan under the terms of which a homeowner, who continues to live in and own a home as his/her primary residence, borrows against the equity in his home but is not required to repay the principal and interest during the loan's term. During this time the owner is still responsible for taxes and homeowner's association fees on the home. The funds are repaid at the owner's death.

**Replacement** – (As defined by the Suitability in Annuity Transactions Model Regulation)

A transaction in which a new policy or contract is to be purchased, and it is known or should be known to the proposing insurance agent, or to the proposing insurer if there is no insurance agent, then by reason of the transaction, an existing policy or contract has been or is to be:

- Lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing insurer or otherwise terminated;

- Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of non-forfeiture benefits or other policy values;
- 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;
- Reissued with any reduction in cash value; or
- Used in a financed purchase.

**Suitability Information** – (As defined by the Suitability in Annuity Transactions Mode Regulation)

Information that is reasonably appropriate to determine the suitability of a recommendation, including the following:

- Age;
- Annual Income;
- Financial situation and needs, including the financial resources used for the funding of the annuity;
- Financial experience;
- Financial objectives;
- Intended use of the annuity;
- Financial time horizon;
- Existing assets, including investment and life insurance holdings;
- Liquidity needs;
- Liquid Net Worth
- Risk tolerance; and
- Tax status
- Reverse Mortgages (Minnesota)

**Trust** – A legal arrangement whereby one or more persons, called the trustees, hold legal title to property on behalf of another person, called the beneficiary, and are responsible for administering the property for the benefit of the trust beneficiary.

# Appendix A: Producer Disclosure For Annuities Form



As part of the best interest obligations, you are required to disclose to your client information about 1) you, as agent, 2) the types of financial products you are licensed and authorized to sell, 3) whose products you sell, and 4) your compensation. Appendix A has been provided to assist you with this requirement.

## Agent/Client Information Section

Date \_\_\_\_\_

► **NOTE:** Do not sign unless you have read and understand the information in this form.

### 1 Insurance Agent (Producer) Information (“Me”, “I”, “My”)

First Name	Last Name
Business\Agency Name	Website
Business Mailing Address	Business Telephone Number
Email Address	National Producer Number in [state]

### 2 Customer Information (“You”, “Your”)

First Name	Last Name
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## How to Fill Out This Section

Please complete all information related to the producer and the customer.

### 3 What Types of Products Can I Sell You?

I am licensed to sell annuities to You in accordance with state law. **If I recommend that You buy an annuity, it means I believe that it effectively meets Your financial situation, insurance needs, and financial objectives. Other financial products, such as life insurance or stocks, bonds and mutual funds, also may meet Your needs.**

I offer the following products:

- Fixed or Fixed Indexed Annuities       Variable Annuities       Life Insurance

I need a separate license to provide advice about or to sell non-insurance financial products. I have checked below any non-insurance financial products that I am licensed and authorized to provide advice about or to sell:

- Mutual Funds       Stocks/Bonds       Certificates of Deposits



## How to Fill Out This Section

Please complete by selecting all that apply.

### 4 Whose Annuities Can I Sell to You?

- Annuities from Only One (1) Insurer
- Annuities from Two or More Insurers
- Annuities from Two or More Insurers although I primarily sell annuities from:

\_\_\_\_\_

## How to Fill Out This Section

Please complete by selecting the applicable option. If you primarily sell annuities from a certain insurer, indicate the name of the insurer in the space provided.

### 5 How I'm Paid for My Work

It is important for You to understand how I am paid for my work. Depending on the particular annuity You purchase, I may be paid a commission or a fee. Commissions are generally paid to Me by the insurance company while fees are generally paid to Me by the consumer. If You have questions about how I am paid, please ask Me.

#### Depending on the particular annuity You buy, I will or may be paid cash compensation as follows:

- Commission, which is usually paid by the insurance company or other sources. If other sources, describe:  
\_\_\_\_\_
- Fees (such as a fixed amount, an hourly rate, or a percentage of your payment), which are usually paid directly by the customer.
- Other (Describe):  
\_\_\_\_\_

► **NOTE:** If You have questions about the above compensation I will be paid for this transaction, please ask me.

#### I may also receive other indirect compensation resulting from this transaction (sometimes called “non-cash” compensation), such as health or retirement benefits, office rent and support, or other incentives from the insurance company or other sources.

- Any applicable material conflicts of interest that may influence the impartiality of my recommendation have been disclosed to you as follows:  
\_\_\_\_\_

## How to Fill Out This Section

Please complete by selecting all that apply. Provide details as applicable. If a material conflict of interest has been disclosed (box selected), provide details.

## Special Note on Form Completion

- Both you and your client are required to sign and date the form
- If there is any missing information, your client will be required to initial and date all changes.

American National Insurance Company, headquartered in Galveston, Texas is licensed to conduct business in all states except New York. Business is conducted in New York by American National Life Insurance Company of New York, headquartered in Glenmont, New York. Each company has financial responsibility only for the products and services it issues.

**For Agent Use Only; Not for Distribution or Use with Consumers.**



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AMERICAN NATIONAL LIFE INSURANCE COMPANY OF NEW YORK | GLENMONT, NY**