

Company Position:

Athene is committed to meeting the needs of its customers through suitable annuity sales. All recommendations for the purchase of an annuity, or the exchange of an annuity or life insurance product, should be suitable for the consumer based on information known by the producer at the time the recommendation is made. Prior to making a recommendation, the producer must obtain relevant information from consumers regarding their insurance needs and financial objectives. When giving a recommendation you should also remind the consumer to discuss the annuity purchase with a tax advisor or legal professional.

The Suitability in Annuity Transactions Model Regulation:

[The Suitability in Annuity Transactions Model Regulation](#) ("Model Regulation") was adopted by the National Association of Insurance Commissioners (NAIC) in 2010 to set standards and procedures for suitable annuity transactions. It requires insurers to establish a system to supervise recommendations so that the insurance needs and financial objectives of consumers are appropriately addressed. Read the [executive summary of the regulation](#) for details.

The Model Regulation is designed to:

1. Establish a regulatory framework that holds insurers responsible for ensuring that annuity transactions are suitable.
2. Require producer training on the provisions of annuities in general and the specific products they are selling.
3. Where feasible and rational, to make these suitability standards consistent with the suitability standards imposed by FINRA.

Role of the Producer:

Training

The producer has an important role in assisting the consumer with determining which product(s) may be appropriate for his or her situation. State regulations require the producer to have reasonable grounds for believing that his or her recommendation is suitable for the consumer based on facts disclosed at the time of recommendation.

All producers are required to complete:

1. A one-time four-hour CE training course on suitability in those states that have adopted the regulation.
2. Athene product specific training in [all states](#) prior to soliciting an application whether or not a state's regulations require product training.

Suitability Recommendations and Documentaion

In most instances, a careful analysis of the information provided will allow the producer to make a clear determination as to whether or not the purchase or exchange of an annuity is suitable based on the consumer's needs. On occasion, a suitability determination will be more difficult and it is the responsibility of the producer to exercise good judgment for the recommendation. If the producer determines that the purchase or exchange of an annuity product would not assist the consumer in meeting their insurance needs and financial objectives, the annuity should not be recommended. A producer must keep documentation of the basis for recommending or not recommending an annuity.

Submit Athene Suitability Confirmation Worksheet

When a producer submits a new application package, Athene requires the submission of its suitability form, "[Customer Identification and Suitability Confirmation Worksheet](#)", [form 17341](#). It must be completed with the consumer at the point of sale. The form is an information gathering tool that documents the consumer's suitability information provided to the producer, as required by state regulations. It must be accurate, complete and signed by both the producer and the consumer to affirm the purchase is suitable and appropriate based on the consumer's insurance needs and financial objectives.

For applications signed in Florida, Athene requires the submission of the "[Annuity Suitability Questionnaire](#)," [form 55444](#).

Athene's Position on Annuity Suitability

To meet the Athene's guidelines, state regulations and the 2010 NAIC Suitability in Annuity Transaction Model Regulation, the producer must:

Determine the consumer's financial situation and goals

- Obtain information on the consumer's personal situation, such as age, employment and tax status.
- Gather information on current finances, including income, net worth, liquidity and expenses.
- Discuss financial goals, future needs and concerns with the consumer's current financial position.
- Discuss how this annuity could help the consumer meet his/her insurance needs, objectives and risk tolerance.
- Understand the sources of funds (CD, other insurance products, investments, etc.) for purchasing the annuity.
- If a consumer refuses to provide information requested on the Athene Suitability Confirmation Worksheet, discuss with them why Athene is requesting this information. It is important for Athene to get complete and accurate information to ensure appropriate documentation exists to support the recommended sale. This information could include, but is not limited to: personal situation, financial information/status, financial objectives, source of funds, etc. If a consumer still refuses to provide the requested information, Athene will be unable to accept the application.

Review the types of insurance products available

- If you determine that an annuity is a suitable recommendation, carefully choose the appropriate product(s) and the appropriate dollar amount(s) to place in the annuity while being mindful of Athene's suitability guidelines.
- Explain how the annuity would meet the consumer's objectives. The features of the annuity product must match both the consumer's needs and the goals and objectives stated on Athene's suitability form.
- Make sure all recommendations correspond with suitability guidelines. The consumer should clearly understand the product's features and benefits, as well as any associated charges, fees and costs.

Keep documentation

- The producer must recommend the purchase of the annuity to the consumer. Athene will not accept an application where the producer did not recommend the purchase of the annuity to the consumer.
- Keep copies of all information collected, including notes, correspondence, etc., even if you don't recommend a new annuity for the consumer.
- Keep all references to product and product features presented, materials provided and disclosures signed.
- Be prepared to explain how the product solicitation was completed and why the particular product was selected.
- In the case of a replacement, be able to demonstrate that the new annuity purchase is suitable after applicable surrender charges, fees and loss of benefits are taken into consideration.
- Be prepared to provide copies of these documents to the Company and/or state regulator in a timely manner if requested.

Submit Product Comparison Worksheet

If your recommendation involves the replacement of another annuity or life insurance product, you will be required to complete and submit a [Product Comparison Worksheet \(PCW\)](#). It is a side-by-side form that compares key product information of the annuity being purchased and the product being replaced. In addition, the reason for the replacement should be personalized for each consumer to show how the new annuity benefits and features will better meet their needs than the existing product. We encourage the producer to provide a copy of a recent statement of value of the replaced annuity or life insurance policy with the PCW. Our Suitability Review Team (SRT) may contact the producer to obtain additional information in order to complete our suitability review.

For applications signed in Florida, Athene requires the submission of the [Disclosure and Comparison of Annuity Contracts, form 55445](#).

Athene's Position on Annuity Suitability

Suitability Review Process:

The objective of the Suitability Review Team (SRT) is to review applications to ensure appropriate documentation exists to support the recommended sale. The Athene review process is designed for compliance with state regulations by documenting that the producer has a reasonable basis for making the recommendation. Some situations may require us to gather additional information to complete our review of the file.

Producers can aid Athene's suitability review by submitting in an individualized cover letter submitted with the application. Please refer to [Suitability Guidelines for Producers](#) for specific scenarios.

Summary

Athene's suitability program is designed to benefit consumers and help producers meet and/or exceed regulatory requirements. It is required that every recommendation you make to purchase or exchange an Athene annuity product be suitable for the consumer. A decision to recommend an annuity should be based on a careful analysis of the information gathered from the consumer. By making sure consumers understand the features, benefits, risks, costs and fees associated with the annuity, you can help ensure consumer satisfaction and compliance with regulatory requirements.

Athene is here to help

The Athene Sales Desk is happy to discuss the suitability of a potential sale with you. While we cannot make a suitability determination over the phone, we can discuss the case and let you know of any questions or concerns we may have based on the information you share. Simply call the Sales Desk during normal business hours or visit the Athene producer website.



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