Producer's Guide for
Annuity Suitability

2021 Suitability Guidelines

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AMERICO

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The appropriate sale of our products is something that Americo takes seriously. We have adopted nationwide suitability requirements, which are in line with the NAIC Model Regulation on Suitability in Annuity Transactions. As a producer, it is your responsibility to carefully consider the suitability of each sale you make.

What is Suitability?

The appropriate sale of our products is something that Americo takes seriously. As an agent, it is your responsibility to carefully consider the suitability of each sale you make. Most states have enacted legislation which requires the company and the agent to have "reasonable grounds for believing the recommendation is suitable for the consumer..."

Suitability refers to the determination of whether the annuity sale is reasonable considering the applicant's needs, objectives, and current financial status. In making the suitability assessment, you must consider your client's risk tolerance, current income, access to cash, age of the owner, and the customer's retirement needs and objectives. Money used for an annuity should be from funds that can be allowed to grow and not from funds needed to meet current financial obligations.

Updated Requirements under Suitability in Annuity Transactions Model Regulation in 2021

The updated Suitability in Annuity Model Regulation was approved by the NAIC in 2020 and has been adopted by several states as of the date of this publication. Americo is using a phased approach with compliance and implementing the new model regulation requirements in states which have approved the new regulation. States which have not approved the new regulation will continue to follow requirements from the previous regulation. Check your email for state changes as they are approved.

Please visit your Department of Insurance website to read the new regulation in its entirety and to understand all of your obligations.

As part of this heightened standard of care, producers must *not* place their financial interest ahead of the consumer's interest. This heightened standard of care is satisfied by meeting four obligations: care, disclosure, conflict of interest, and documentation.

1. Care Obligation
Producers must "exercise reasonable diligence, care, and skill" when making a recommendation by:

- Knowing the customer's financial situation, insurance needs, and financial objectives;
- Understand the available recommendation options after making a reasonable inquiry into options available to the producer;
- Have a reasonable basis to believe the recommended option effectively addresses the consumer's financial situation, insurance needs and financial objectives over the life of the product, as evaluated in light of the consumer profile information; and
- Communicate the basis or bases of the recommendation.

The producer must have a *reasonable basis* to believe the consumer would benefit from certain features of the annuity and the producer must be able to communicate the basis of the recommendation. The producer is not required to choose the product that simply has the lowest compensation structure, but the producer must consider the contract as a whole, including product features, riders, and subaccounts at the time of purchase.

If the sale involves a replacement contract, the producer must consider:

- if the replacing product would *substantially benefit* the customer.
- if the customer would incur surrender charges or lose benefits from their existing product.
- if the customer would be subject to a new surrender charge period or increased fees from the new product.
- whether the customer has had another replacement in the last 60 months.

2. Disclosure Obligation

The new disclosure obligation requires agents to provide clients with the the "Insurance Agent (Producer) Disclosure for Annuities" form as outlined in the new regulation. Americo has provided a generic version of this disclosure form and it is currently available on myAmerico. This form must be signed by both the client and the agent. Americo requires that this form is submitted with all applications in the states which have enacted the new regulation.

The new disclosure includes the following statement: *"If you have questions about the above compensation I will be paid for this transaction, please ask me."* If the customer requests more information about your compensation you receive you are required to disclose (1) a reasonable estimate of the amount of cash compensation you will receive under the sale (which may be stated as a range of amounts or percentage, particularly because before the time of recommendation, you may not know the exact amount) and (2) whether the compensation is a one-time or multiple occurrence amount (and if multiple occurrence, the frequency of that amount). A best practice would be to provide this disclosure of compensation in writing (with a copy saved to your records).

3. Conflict of Interest Obligation

The new conflict of interest obligation, requires producers to *"identify and avoid or reasonably manage and disclose material conflicts of interest, including material conflicts of interest related to an ownership interest."* Receiving cash compensation or non-cash compensation does not in itself create a material conflict of interest. If you believe that you have a conflict of interest, you should disclose this to your client.

4. Documentation Obligation

The new documentation obligation requires the agent to document a written record of any recommendation you make. You should keep these records and be able to produce documentation to Americo or state department of insurance if needed. There are additional requirements for documentation if a consumer refuses to provide information, however, Americo does not permit a sale without suitability information, so this does not apply to Americo sales.

Other new requirements

New Suitability Form: Agents in the states which have adopted the new regulation are required to use a new version of the suitability form ABB8378 (01/21).

Training: To solicit and sell annuities, producers must comply with regulations adopted by the state in which they write business. The previous version of the Model Regulation required Carrier Product-Specific Training as well as a 4-hour General Annuity Suitability CE (the previous 4-hour training).

As states adopt the Revised Regulation, producers doing business in those states will be required to complete **additional** General Annuity Training CE.

The revisions to the Model Regulation require completion of **EITHER** a 1-hour General Annuity Training CE course available to producers who have taken the previous 4-hour training, **OR** a new 4-hour General Annuity Training CE for those who have not taken it previously.

General Annuity Training CE must be completed with a training vendor approved by the state of sale. Access to approved vendors, training dates, times and fees are available on the state Insurance Department websites.

Suitability Review

It is very important that you carefully consider the suitability of your recommendation. Before recommending a product to a consumer, gather information and carefully consider and discuss the client's needs. You should not have a "cookie cutter" approach to recommending products. A decision to recommend a fixed annuity to your client should be based on a careful review of the information gathered during the sale. It is also important that your client understands the product and all of the features before making the purchase.

Although there are no "right" or "wrong" questions to ask each customer, below is a list of sample questions you may find helpful when doing a suitability analysis:

- What is the client's main financial objective?
- How will the purchase of this annuity help achieve the objective?
- Will the consumer have adequate liquid assets/income for current and future needs?
- Does the consumer understand how the annuity works and the associated surrender period/ charges?
- If the client was a close friend or family member, would you make the same recommendation?
- If replacement is involved, is it beneficial to the client to replace the current policy? Consider surrender charge periods, rates, riders, benefits, etc.

We require the use of the Financial Suitability Form for all annuity sales. Please keep in mind, simply completing the suitability form does not alleviate your responsibility in making a suitable recommendation. It is your responsibility to be familiar with the customer's needs and make recommendations that are appropriate for individual customers.

Americo will not accept partially completed suitability forms. Each form must be fully completed before the Company will review for suitability. If a consumer refuses to provide information, we will not issue the annuity. "Opt-outs" are not allowed. If you as an agent do not recommend the client purchase this annuity, the application and suitability form will not be accepted by Americo.

Internal Suitability Review Guidelines

Our internal suitability review guidelines comply with the Suitability in Annuity Transactions Model Regulation. A variety of factors will be reviewed, including liquid assets, sources of funds, age, and monthly disposable income.

We will automatically decline cases that include the following:

- Client resides in a nursing home
- Client is left with little to no liquid assets for emergencies
- Source of funding is a reverse mortgage or home equity loan
- Close to 100% of client's net worth is annuities
- Undisclosed replacements
- If the Owner is a Trust and the purpose of moving assets is to qualify for government funding.

Replacements and Suitability

What are Replacements?

The definition of 'replacement' according to the NAIC Life Insurance and Annuities Replacement Model Regulation is:

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

1. Lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing insurer or otherwise terminated;
2. Converted to reduce paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values;
3. Amended so as to the 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;
4. Reissued with any reduction in cash value; or
5. Used in a financed purchase.

Replacements include "financed purchases," which according to the NAIC Model Regulation, means the purchase of a new policy involving the actual or intended use of monies obtained by the withdrawal or surrender of, or by borrowing from values of, an existing policy to pay all or part of any premium due on the new policy.

Americo considers it to be a "financed purchase" if any of the above transactions are processed on an existing life insurance or annuity contract, either four months before or 13 months after the issue date of the new policy.

Your Responsibilities for Replacements as an Agent

- Make sure you comply with all applicable suitability and replacement laws and regulations.
- Know and apply the definition of replacement.
- Thoroughly evaluate and discuss the circumstances of the replacement with the client to help them make a decision that is in line with their financial needs and objectives.
- Provide the client with relevant and appropriate information so that he or she can make an informed decision.
- Be certain to disclose if a replacement is involved, and disclose appropriately on the application, suitability form, or on any other required form.
- Ensure the required replacement notice is given to the client and signed and dated by the client on the same date as the application for coverage.
- Document your conversations with the client and make notes about why you recommended the product. It is important to keep this documentation in each client's file in case there are ever future questions. At a minimum, these records should be maintained for five years. We strongly recommend that you retain all suitability information in a client file for as long as the contract remains in force.
- Make sure you personally witness all applicant/owner signatures.

Failure to send in the appropriate forms and/or to comply with the replacement requirements can lead to a delay in policy issue.

Agents who engage in excessive or inappropriate replacement activity, or fail to disclose relevant replacement activity, will be subject to company sanctions, up to and including, termination of their appointment and Agent Agreement with Americo. In addition, agents may be subject to penalties imposed by the state where the application was taken. These penalties include substantial fines and/or suspension or revocation of their license to sell insurance.

Replacement Requirement Guidelines

Each replacement case will be reviewed individually; however, you should consider these guidelines:

- A "like-to-like" replacement (fixed annuity to fixed annuity) requires a close review by our suitability team. We will consider surrender charge periods and charges, product enhancements, and rate comparisons, among other factors in looking for an apparent benefit for your client.

- We will not accept undisclosed replacements and, when identified, the application will be rejected.

It is very important that you carefully consider the suitability of any replacement and ensure your client understands the advantages, disadvantages, and potential impact, of a replacement. Factors to consider include guaranteed interest rates, loss of existing benefits, potential surrender charges on the existing annuity contract or life insurance policy and the new surrender charge period of the replacement.

Before you recommend a replacement to your client, you must be sure the replacement provides an economic benefit to your client. Below are some things to consider before recommending a replacement sale:

- How do the benefits of the existing product compare with those of the Americo annuity you are recommending, including rates, surrender charges, riders, etc.?
- Will the new annuity better fit your client's needs and financial objectives?
- Will your client lose any existing benefits?
- Has your client had other annuity replacements within the past three years?

Completing the Financial Suitability Form

General Requirements

The Financial Suitability Form (AAA8378; AOR8378 in Oregon) should be used for all annuity sales, except Florida. In Florida, please use forms DFS-H1-1980 and DFS-H1-1981 for all annuity sales. The suitability form should be completed and signed by the owner during the sale. When completing the form, please keep the following in mind:

- Complete and accurate information must be provided. If subsequent changes are made to the Financial Suitability Form, documentation of these changes may be required. This may include providing copies of bank records, annual statements, or other financial documentation.
- If you are replacing an annuity, please carefully verify the surrender charges that will be assessed.
- A detailed summary should be provided by the producer in the Acknowledgment section.
- Provide as much detail as possible regarding your suitability review of the sale. If the annuity is a replacement, it is important that you include the factors that you believe make it a suitable replacement. Some questions to consider and address include: Why does the new annuity deliver a substantial value to the client? How does it provide a benefit not available with their current product?
- A suitability form is required from the Payor.

Replacement Section

- Provide as much detail as possible regarding the replaced product. This will decrease the likelihood we will need to contact you or your client for additional information.
- Give a detailed producer statement regarding the suitability of the replacement. Give specific reasons as to why you are recommending the replacement. Attach an additional page if necessary.

  A New Business representative may contact you or the client to obtain additional information if they have questions as a result of their review of the annuity application and suitability form.

Suitability Calls

Americo conducts suitability calls with all applicants ages 86+ (65+ in Michigan), and a random selection of clients ages 65+, before the issuance of an annuity. It is important that you provide a current phone number for your client and let them know that Americo will be contacting them to ask a few questions about the annuity purchase. If your client is available during a certain time, please make note of this on the application. The phone call will be completed by an Americo associate. It is a short phone interview and reviews the client's understanding of certain features of the annuity.

Instructions for Trusts as Owners

If a trust is listed as an owner of a proposed annuity, Americo has specific requirements as to what information should be collected on the Suitability Form. In most cases a certificate of trust may be submitted in lieu of the complete trust document. However, in certain situations, a full copy of the trust may be required.

- The Grantor/Settlor and Trustee are the same: The grantor/settlor of the trust must complete the Suitability Form with his/her own personal information. If there are multiple non-spousal grantors/settlors, a separate Suitability Form must be completed for each individual.
- The Grantor/Settlor and Trustee are different: The grantor/settlor of the trust must complete a Suitability form with his/her own personal information. Additionally, the trustee must complete the Suitability Form with the trust's information (annuity objectives, financial status, etc.) including the following modifications:
    - For name of owner, enter the name of the trust.
    - For "age," enter "N/A"
    - For "owner's signature," the trustee must sign as trustee (John Doe, TTEE)

Suitability Case Studies

Although each situation is unique, below are several examples of annuity sales and the expected outcome of the review process based on the facts provided:

George, age 68

George is interested in purchasing a new annuity product.

- He would like to replace a fixed annuity he currently holds. The annuity was issued 4 years ago, written by the same producer, and surrender charges are 6%. The current accumulation value is $50,000.
- Their household income is $6,000 monthly and monthly living expenses are $3,000.
- The current annuity has a guaranteed declared interest rate of 3.5%, which it is also paying currently. He has chosen the option in the new annuity, which is currently paying an interest rate of 3.75%.
- He has a net worth of $500,000 and liquid assets of $90,000.
- He already has $100,000 in annuities.

Given the factors presented above, **this case would most likely be declined.** The replacement review indicated that the surrender charges were not acceptable. Additionally, there does not appear to be an economic benefit for this replacement.

Linda, age 64

Linda is interested in purchasing an Ultimate One Index 9 product.

- She intends to use $10,000 from her savings account to fund the annuity.
- Her income is $3,500 monthly and expenses are $2,500 monthly.
- After this purchase, she would be left with $5,000 in liquid assets in her checking/savings accounts.
- Her net worth is $40,000, and she has $25,000 already in existing annuities.

Given the factors presented above, **this case would most likely be declined.** After careful review and consideration, it was determined that Linda's liquid assets were not sufficient. Additionally, the percentage of her net worth in annuities after this new purchase would be too substantial.

John, age 75

John is interested in purchasing a new annuity product.

- He would like to replace a fixed annuity he currently holds. The annuity was issued 8 years ago and has 2 years of surrender charges remaining. The current accumulation value is $75,000 and the surrender charges are 4% of the value, or $3,000.
- He has $100,000 in liquid assets, all of this in checking/savings.
- His current annuity is paying a current fixed interest rate of 2%. For the new annuity, he has chosen the Point-to-Point w/Cap option, which is currently 2.90%.
- His current monthly income is from guaranteed sources (pension, Social Security) and is $4,000. His monthly living expenses are $3,000.
- His net worth is approximately $600,000 and he has no debt.
- His objective in this annuity purchase is to leave the annuity to his heirs, he does not plan on using for any other purchase.

Given the factors presented above, **this case would most likely be approved.** John has sufficient liquid assets, net worth, and there appears to be a substantial economic benefit for the replacement transaction.

Mary and Joe, age 55 and 56

Mary and Joe are interested in purchasing an Ultimate One Index 9 Bonus product.

- They intend to use $50,000 from a CD at the bank to fund the annuity.
- Their household income is $6,000 monthly and monthly living expenses are $3,000.
- They currently have $30,000 in liquid assets (including checking, savings, and penalty-free withdrawal amounts from Mary's annuity).
- They have $10,000 in debt (not including their primary residence) and have a net worth of approximately $200,000.

Given the factors presented above, **this case would most likely be approved.** After a thorough review, it was determined that they had sufficient liquid assets and net worth and that this was an acceptable transaction.

All examples are hypothetical and intended for illustration purposes only.

Tips for Completing the Financial Suitability Form

Because it is important for us to understand your recommendation and how it fits the client's needs and situation, it is important that you carefully and thoroughly complete the Financial Suitability Form (AAA8378; AOR8378 in Oregon). Florida residents, please complete forms DFS-H1-1980 and DFS-H1-1981. If responses are missing or conflicting, it is likely we will need to request additional information.

If the owner is a trust, please see our guidelines on Page 5 for how to complete the suitability form.

Liquid assets are those that are not subject to penalty or surrender charges, or can easily be converted into cash. You can include penalty-free withdrawals from annuities.

Since annuities are long-term contracts, it is important to include all assets in this section so we can understand the applicant's ability to meet living expenses and emergencies.

Monthly gross income and monthly living expenses should be total **household** income and expenses.

Financial Suitability Form AAA8378 (07/17)

AMERICO

This information will be used to determine the suitability of our products in meeting your financial needs. This form is not designed to address every aspect of the needs analysis process and is only intended to highlight areas to be considered when purchasing an annuity contract. Your information will not be used or distributed for sales purposes to third parties. ***Please note, if this form is not completed in full, signed, and dated, we are unable to consider your application.***

Owner ______________________ Age ________ Phone Number ______________

Payor ______________________ Age ________ Phone Number ______________

POA/Guardian/Trustee Name ______________________ Phone Number ______________

If trust is Owner/Payor, include whose assets are represented on this suitability form (*check all that apply*)*: ☐ Grantor assets ☐ Trust Assets ☐ Payor Assets

**See instruction page for direction regarding which party's assets to include for the completion of this form.*

ANNUITY OBJECTIVES AND RISK TOLERANCE

1. With regard to purchase of this annuity, **check your top 3 objectives** from the options below:
   ☐ Future income ☐ Safety of principal ☐ Protection from inflation ☐ Transfer of assets to beneficiary ☐ Reduced taxation
   ☐ Bond investment ☐ Equity investment ☐ Probate avoidance ☐ Potential interest based on the market ☐ Growth
   ☐ Current income ☐ Tax deferral ☐ Guaranteed interest rate ☐ Income I can't outlive
2. How do you anticipate taking distributions from this annuity? (*check all that apply*):
   ☐ RMD ☐ Annuitize ☐ Interest-only withdrawals ☐ Immediate income
   ☐ Leave to beneficiary ☐ Lump sum ☐ Penalty-free withdrawals ☐ Guaranteed lifetime withdrawal benefit
3. How long do you plan on keeping the proposed annuity? .... ☐ Less than a year ☐ 1-6 years ☐ 7-9 years ☐ 10 or more years
4. Describe your financial experience (*check all that apply*): ☐ Stocks ☐ Bonds ☐ CDs ☐ Annuities ☐ Mutual Funds ☐ Other: ____________
5. Describe your risk tolerance (*check one*): .... ☐ Conservative ☐ Moderate ☐ Aggressive

HOUSEHOLD FINANCIAL STATUS

6. Estimated premium amount for the proposed Americo annuity(ies) (combine estimated premium for all annuities applied for) **(DO NOT include in assets below.)** .... $
7. **Household Liquid Assets**
   - Checking accounts .... $__________
   - Savings accounts .... $__________
   - Mutual funds without penalty .... $__________
   - CDs (matured) .... $__________
   - Pension/401(k) (if over 59½) .... $__________
   - Annuity value not subject to surrender penalties .... $__________
   - Other (**please describe**) __________ $__________

   Total Liquid Assets $__________
8. **Household Non-Liquid Assets**
   - Annuities, less penalty-free withdrawal amounts .... $__________
   - Life insurance cash value .... $__________
   - Mutual funds with penalty .... $__________
   - CDs (not matured) .... $__________
   - Pension/401(k) (if under age 59½) .... $__________
   - Real estate (exclude primary residence) .... $__________
   - Other (**please describe**) __________ $__________

   Total Non-Liquid Assets $__________
9. **Household Total Assets** • *DO NOT include premium for proposed annuity(ies).* .... *Add #7 and #8* $
10. **Household Total Debt** • *Exclude debt on your primary residence.* .... $
11. **Household Net Worth** .... *Subtract #10 from #9* $
12. **MONTHLY Household Gross Income**
    - Social Security/Disability Benefit payments .... $__________
    - Pension/retirement benefits .... $__________
    - Salary/wages .... $__________
    - Interest/dividend income .... $__________
    - Required Minimum Distribution (RMD) .... $__________
    - Other (**please describe**) __________ $__________

    Total Gross MONTHLY Income $
13. **Monthly Household Living Expenses** • *Housing, food, transportation, healthcare, etc.* .... $
14. **Monthly Disposable Income** .... *Subtract #13 from #12* $

15. **Federal Income Tax Bracket:** ☐ 0% ☐ 10% ☐ 15% ☐ 25% ☐ 28% ☐ 33% ☐ 35%

16. Does your income cover all your living expenses (including out-of-pocket medical expenses)? ☐ Yes ☐ No

17. Is your income sufficient to cover future changes in your living expenses (including out-of-pocket medical expenses and/or nursing home expenses) during the surrender charge period? ☐ Yes ☐ No

If ***No*** *to question 16 or 17 above, explain:* ____________

18. Do you anticipate any substantial change in your future income, liquid assets, or expenses (including out-of-pocket medical expenses) during the surrender charge period? ☐ Yes ☐ No

If Yes, *explain and complete appropriate boxes below:* ____________

State monthly difference(s):

Income: ☐ Increase $__________ ☐ Decrease $__________ **Expenses:** ☐ Increase $__________ ☐ Decrease $__________

19. Do you understand that the proposed annuity has a surrender charge and the length of the surrender charge period? ☐ Yes ☐ No

20. Are you currently residing in a nursing home? ☐ Yes ☐ No

21. Are you currently residing in an assisted-living facility? ☐ Yes ☐ No

22. Do you have long-term care insurance? ☐ Yes ☐ No

23. Do you have Medicare Supplement insurance? ☐ Yes ☐ No

24. (California 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

SOURCE OF FUNDS

25a. Source of this annuity's funding *(check all that apply)*:

☐ Variable annuity ☐ Fixed/indexed annuity ☐ Life insurance ☐ Stocks/bonds/mutual funds
☐ Checking/savings ☐ CD ☐ Brokerage Account ☐ 401(k)/pension
☐ Inheritance ☐ Reverse mortgage ☐ Home equity loan ☐ Required minimum distribution
☐ Death claim proceeds (Complete 25b) ☐ 403(b) ☐ Other: ____________

25b. If death claim proceeds, has the beneficiary taken ownership of the existing policy? *(****If Yes****, complete the Replacement Section below.)* ☐ Yes ☐ No

26. Will the annuity applied for replace, or otherwise reduce in value, any existing life insurance or annuity now in force? *(****If Yes,**** please complete the Replacement Section below.)* ☐ Yes ☐ No

27. Within the past 36 months (60 months in CA and MN), other than the current transaction, have you had another annuity exchanged or replaced? *(****If Yes,**** provide details below.)* ☐ Yes ☐ No

____

____

REPLACEMENT SECTION – MUST BE COMPLETED IF QUESTION #25B OR 26 IS ANSWERED "YES".

Life and annuities:

28. Is your current agent the same agent who recommended the purchase of the existing annuity or life insurance contract? ☐ Yes ☐ No

29a. Do you feel you have been reasonably informed of the various features of the proposed annuity and understand the differences between your existing contract(s) and the proposed annuity? ☐ Yes ☐ No

29b. ***If No****, explain:*

____

____

Life only: *(Do not complete Replacement Information grid)*

30. Death benefit amount $____________

31. Cash surrender value $____________

32. Please explain why you are replacing a life insurance policy with an annuity:

____

____

Annuities only: *(Complete Replacement Information grid)*

33. Please explain how this new annuity better meets your objectives:

____

____

If "no" to question 17 or "yes" to question 18, please provide a detailed explanation.

If your client is living in a nursing home, the application will be declined. A nursing home is a licensed facility which provides skilled nursing home care under the supervision of a licensed physician and provides continuous nursing services 24-hours a day.

A replacement occurs when, in order to purchase a new annuity contract:

- An applicant surrenders, or terminates an existing contract
- An applicant transfers the proceeds of an existing contract (including free withdrawals to the insurer issuing the new contract.

Americo considers it to be a 'financed purchase' if any of the above transactions are processed on an existing life insurance or annuity contract, either four months before or 13 months after the issue date of the new policy.

If replacing: please have the client explain how this new annuity better meets their needs.

If replacing: carefully and thoroughly complete the entire annuity comparison section.

We must be able to determine that the client will receive a substantial economic net benefit after this replacement.

Replacement Information *(If replacing more than three annuities, please use form 11-193-1). All sections should be complete.*

Components	Existing Annuity Contract #1	Existing Annuity Contract #2	Existing Annuity Contract #3
Premium to Americo:	$	$	$
Accumulation value:	$	$	$
Issuing company:			
Type of contract:	☐ Fixed ☐ Fixed Indexed ☐ Variable	☐ Fixed ☐ Fixed Indexed ☐ Variable	☐ Fixed ☐ Fixed Indexed ☐ Variable
Date of issue:			
Source of initial funding (i.e. cash, annuity, mutual fund, etc.):			
Are you using penalty-free withdrawal to fund this annuity?	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
If Yes, are you only using the penalty-free withdrawal amount?	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
Is this a full or partial surrender?	☐ Full ☐ Partial	☐ Full ☐ Partial	☐ Full ☐ Partial
Will there be a surrender charge?	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
If Yes, surrender charge amount:	$ ____________________	$ ____________________	$ ____________________
Market value adjustment (MVA):	+ $ ____________________ or - $ ____________________	+ $ ____________________ or - $ ____________________	+ $ ____________________ or - $ ____________________
Surrender charge period remaining:	__________ years	__________ years	__________ years
Enhanced benefits *(guaranteed income benefits, guaranteed withdrawal rider, etc.)* *May use separate sheet to describe.*	☐ None Benefit(s) name: ____________________ Monthly benefit amount: $ __________ Benefit cost: $/% ______________ Benefit base: $ ______________ Are there roll-ups/step-ups? .... ☐ Yes ☐ No ***If Yes***................................ _________ % Start date:____________________ Stop date:____________________ Additional details: ____________________ ____________________ If a partial surrender, will the enhanced benefit be reduced or eliminated?.... ☐ Yes ☐ No ***If Yes,*** *explain:* ____________________ ____________________	☐ None Benefit(s) name: ____________________ Monthly benefit amount: $ __________ Benefit cost: $/% ______________ Benefit base: $______________ Are there roll-ups/step-ups?............ ☐ Yes ☐ No ***If Yes*** .... _________% Start date: ____________________ Stop date: ____________________ Additional details: ____________________ ____________________ If a partial surrender, will the enhanced benefit be reduced or eliminated? ... ☐ Yes ☐ No ***If Yes,*** *explain:* ____________________ ____________________	☐ None Benefit(s) name: ____________________ Monthly benefit amount: $ __________ Benefit cost: $/%______________ Benefit base: $ ______________ Are there roll-ups/step-ups?............ ☐ Yes ☐ No ***If Yes***................................ _________ % Start date: ____________________ Stop date: ____________________ Additional details: ____________________ ____________________ If a partial surrender, will the enhanced benefit be reduced or eliminated? .... ☐ Yes ☐ No ***If Yes,*** *explain:* ____________________ ____________________
Surrender charge on death benefit:	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
Penalty-free withdrawal % available:	______ %	______ %	______ %
Fees or other charges:	$______________ or ______%	$______________ or ______%	$______________ or ______%
Current declared interest rate %:	__________ %	__________ %	__________ %
Guaranteed minimum declared interest rate % *(not guaranteed minimum value)*:	__________ %	__________ %	__________ %

AAA8378 (07/17)

OWNER ACKNOWLEDGMENT

By signing below, I/We represent to Americo Financial Life and Annuity Insurance Company that the statements made on this Financial Suitability form are true, complete, and correctly recorded to the best of my/our knowledge and understanding. I/We acknowledge that failure to provide complete or accurate information may affect the ability of the Agent and/or Insurer to determine the suitability of the annuity product being offered. I/We believe that the annuity product for which I/We are applying is a suitable product for my/our financial needs.

For New Jersey residents: I understand that the solicitation, negotiation, and sale of the annuity and its suitability are subject to the regulatory oversight of the New Jersey Department of Banking and Insurance. You may contact their Consumer Assistance Services at 800.446.7467.

If POA/Guardianship/Trust is involved, provide applicable legal documentation and signatures.

Owner's Signature	Date	Joint Owner's Signature	Date
Payor's Signature	Date	Grantor's Signature	Date

AGENT ACKNOWLEDGMENT *(Required to be completed by the agent)*

By signing below, I certify that:

- I have completed a suitability analysis review regarding the purchase of this annuity.
- I have reasonable grounds for believing that the recommendation to purchase this annuity is suitable for the applicant.
- The above information was furnished to me by the customer.

Please provide a summary explaining how the client will benefit from the annuity. Discuss features, benefits, and other factors. In the case of replacement, please indicate how the proposed annuity is more advantageous. **Must be completed by agent.**

Agent: please complete all required replacement forms and submit with application and this Financial Suitability form.

Agent's Signature	Agent #	Date

It is required that you complete the Agent Acknowledgment Section. If it is not completed, the form will be returned for completion.

Please provide a detailed summary of your recommendation and include any information you feel would be helpful in our review process.

You may attach an additional page if more space is needed.

Questions and Concerns

For questions and concerns concerns regarding market conduct, ethical sales practices, compliance laws and regulations, and privacy, please contact our Compliance Department at 800.231.0801 or regulatory.compliance@americo.com.

For concerns about fraudulent activity, immediately contact Americo's Compliance Officer, Becky Criswell at 816.391.2352

For questions regarding advertising reviews, contact Agent Services at 800.231.0801 or Marketing.Support@americo.com

AMERICO

PO BOX 410288
Kansas City, MO 64141-0288