

## Instructions

- 1 Account Registration**
- Verify information matches account opening paperwork and product sponsor documents

- 2 Investor Information**
- Describe the customer's assets to the best of your ability
  - *Monthly Discretionary Income* is the average difference between monthly net income and monthly fixed expenses (i.e. rent or mortgage, utilities, food, etc.)
  - If any "Yes/No" answer prompts further explanation, please provide full details. You may attach additional explanation as a supplement to this document if necessary

- 3 Product Information**
- For *Vendor / Product* include the issuing company as well as the specific contract name
  - If the *initial allocation of funds to the subaccounts* is to a fixed account option, please describe in detail the strategy in place to move the funds to subaccounts matching the investor's objectives and risk tolerance
  - The recommendation of the *share class* should be explained. You should include a discussion of how the fees of the recommended product compare to other available share classes and why the recommended share class is preferable. For example, if a shorter surrender period product is selected, you should discuss why it is preferable to alternative products with different cost structures

- 4 Suitability Analysis**
- Skip this section if the transaction is an Exchange or Switch
  - The *description* of how the features of this product will benefit the customer should be thorough. It should include enough specific information to allow the reviewing principal to understand the nature of the recommendation and why it is suitable for the customer. You may attach additional explanation as a supplement to this document if necessary

- 5 Exchanges / Switches**
- This section should only be completed when the source of funds is mutual fund, variable annuity, fixed annuity, VUL, WL, or UL
  - If riders could be added to the existing variable annuity contract, describe what they are, what they cost, and why they could not meet the customer's objectives
  - *Description* of how the new product will benefit the customer should explain in detail how the customer is in a better position following the proposed transaction including the positive and negative aspects of both the existing and the proposed investment

- 6 Acknowledgements**
- Ensure the customer reads and understands each point
  - Limitations of *contract riders* should be explained to the customer (i.e. costs, impact of withdrawals and excess withdrawals on the benefit base, pro-rata vs. dollar-for-dollar, etc.)

- 7 Initials**
- The customer *must initial* each section that may relate to their purchase
  - *Short/No-Surrender Purchase* contracts are more liquid than a "traditional" annuity contract. They will generally have a 0-4 year surrender period and higher internal fees as compared to contracts with longer surrender periods
  - The *Death Benefit* acknowledgment should be initialed only for purchases that utilize contract value as the means for death benefit payment and offer no other minimum guarantee on the death benefit such as premiums paid or other guarantee
  - *Living Benefits* are defined as contract riders that provide some benefit during the contract holding period. Accumulation, income, and withdrawal benefits are examples of contract riders that are categorized as living benefits

- 8 General Reminders**
- The customer *must initial* pages 1-2 in addition to their signature(s) on page 3
  - If there is additional information that is pertinent to the transaction, you are encouraged to include it in a separate document
  - FINRA Notice to Members 07-43 is an excellent guide to pertinent issues involving suitability for seniors
  - FINRA Rule 2330 and TFA procedures require that a registered principal review and approve the variable annuity transaction prior to transmitting a customer's application to the issuing insurance company

## 1. Account Registration

Contract Owner: \_\_\_\_\_ SSN: \_\_\_\_\_ Age: \_\_\_\_\_

Contract Owner: \_\_\_\_\_ SSN: \_\_\_\_\_ Age: \_\_\_\_\_

Name of Annuitant: \_\_\_\_\_ Age of Annuitant at Application: \_\_\_\_\_

## 2. Investor Information

Current Life Stage: ☐ Employed ☐ Pre-retiree (1-5 yrs) ☐ Retiree ☐ Other \_\_\_\_\_

If employed, how long does s/he plan to continue working? \_\_\_\_\_ yrs

How many years of experience does the customer have investing in variable annuities? ☐ 0 ☐ 5 years or less ☐ More than 5 years

Monthly Discretionary Income (after-tax monthly income minus monthly expenses): \$ \_\_\_\_\_

What sources make up the customer's income (i.e. salary, investment income, Social Security, etc.)?

Does the customer anticipate any significant increase in living expenses or decrease in income during the new contract's surrender charge period or prior to age 59 ½? ☐ Yes ☐ No If yes, please explain: \_\_\_\_\_

Does the customer intend to make subsequent contributions to the contract? ☐ Yes ☐ No If yes, explain the source, amount, and time frame: \_\_\_\_\_

When does the customer anticipate taking distributions from this annuity?

☐ Immediately ☐ Within the 1st year ☐ Between 1 and 5 years ☐ Between 6 and 10 years ☐ More than 10 years ☐ Never

Will the customer rely on income from this annuity to meet anticipated:

Living expenses ☐ Yes ☐ No Health care expenses ☐ Yes ☐ No Other expenses ☐ Yes ☐ No

Is the customer participating in an employer-sponsored retirement plan? ☐ Yes ☐ No

Has the customer exchanged a deferred variable annuity in the preceding 36-month period with TFA or any other broker/dealer? ☐ Yes ☐ No

If yes, when? \_\_\_\_\_ Through whom? \_\_\_\_\_

## 3. Product Information

Vendor / Product: \_\_\_\_\_ Purchase Amount: \$ \_\_\_\_\_

Intended Use of Contract: ☐ Savings Vehicle ☐ Retirement Income ☐ Death Benefits ☐ Tax-Deferred Growth ☐ Other: \_\_\_\_\_

Source of Funds: ☐ Mutual Fund\* ☐ VA\* ☐ Fixed Annuity\* ☐ VUL, WL, UL\* ☐ 401(k) Rollover ☐ Other \_\_\_\_\_

\*Exchanges / Switches Section must be completed

Does the initial allocation of funds to the sub-accounts match the customer's stated investment objectives and risk tolerance? ☐ Yes ☐ No

If not, please describe why: \_\_\_\_\_

Describe why the surrender charge schedule of this share class (A, B, C, L, Bonus, etc.) is preferable to other available classes: \_\_\_\_\_

Customer Initials

## 4. Suitability Analysis (skip this section if the transaction is an Exchange / Switch)

Describe, in detail, how this transaction, as a whole, will benefit this customer:

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## 5. Exchanges / Switches (if source of funds is MF, VA, FA, VUL, UL, WL)

Proposed Vendor / Product : \_\_\_\_\_ Purchase Amount: \$ \_\_\_\_\_

Existing Vendor / Product	Product Type (MF, VA, etc.)	Current Value	Held for (yrs/mths)	Same Rep (Y/N)	CDSC/ Surrender (\$) (Enter 0 if none)

Is this transaction a 1035 Exchange or qualified transfer from an **existing variable annuity**? ☐ Yes ☐ No

If yes, please provide the following information on the existing variable annuity. If not, skip this item and complete the following 2 statements.

Could riders be added to the existing contract? ☐ Yes ☐ No If yes, please describe why such riders cannot meet the customer's objectives:

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List the reasons the existing product cannot meet the customer's needs and objectives:

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Describe, in detail, how the various features of the product will benefit this customer as compared with their previous product:

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Customer Initials

## Customer Acknowledgement

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- I have been informed of the material features of the variable annuity and have had the opportunity to ask questions of my registered representative and am satisfied with the information received.
  - I have received a prospectus (either paper copy, on a CD or electronically).
  - I understand that contract guarantees are backed by the claims paying ability of the insurer.
  - I have been informed and understand that under state insurance laws I have a specified period of time to examine my annuity purchase to decide whether to keep or cancel it, which is referred to as a "free look" period. The length of time is limited and is dependent upon state law, and may vary depending on whether my purchase involved a replacement. I understand that I would need to refer to my annuity contract for specific information pertaining to my "free look" right.
  - I understand that a variable annuity is a long-term investment.
  - I understand the sub-account value will fluctuate due to market conditions and investment results.
  - I understand the various features of any optional riders I've selected and am aware that insurance companies generally reserve the right to increase rider fees as they deem appropriate.
  - I acknowledge that pre-mature and excess withdrawals from this variable annuity contract will negatively impact and potentially negate the guaranteed values associated with any riders I have chosen.
  - If I am under 59 ½ years of age, I understand that there may be a tax penalty of up to 10% for withdrawals prior to age 59 ½.

## 7 Please initial only the following items that could pertain to your purchase:

	<b>"Bonus" Annuity Purchase.</b> I intend to purchase the above variable annuity which credits my contract with a bonus. To earn a bonus on my investment in the variable contract, I understand that internal fees (including mortality and expense risk charges), surrender charges and surrender periods may be higher and longer than other variable products that may be available without this "bonus". The bonus may also be subject to a vesting or recapture schedule that limits its availability in the first several contract years.
	<b>Retirement Plan Purchase.</b> I intend to purchase the above variable annuity under an Individual Retirement Account or other tax qualified retirement plan. I understand that the tax deferred accrual feature is provided by the tax qualified retirement plan and that the tax deferred accrual feature of the variable annuity is unnecessary. However, the other features and benefits of the variable annuity are consistent with my investment objectives, and therefore, I believe this purchase to be suitable for me.
	<b>Short/No-Surrender Purchase.</b> I intend to purchase an "L-share" or "C-share" annuity that has a shorter surrender charge period than other available contracts. In return for the increased liquidity, as compared with some other available contracts, I understand that the internal fees of the contract will be higher and generally do not decrease with the passage of time. The higher internal fees will negatively impact my contract value over time.
	<b>Death Benefit.</b> I acknowledge that the contract I have selected does not have a guaranteed death benefit and that the death benefit will be the contract value at the time of death as described in the prospectus. I am purchasing this annuity because of other features.
	<b>Living Benefit.</b> I acknowledge that guarantees associated with living benefits (such as guaranteed withdrawals and/or guaranteed income) are separate and distinct from contract values and can only be accessed in accordance with the time and method outlined in the prospectus. Such values generally cannot be accessed through a lump-sum surrender of the contract.
	<b>Liquid Net Worth.</b> I acknowledge that this VA purchase exceeds 50% of my total liquid net worth and understand that diversifying my money into different types of investment products may pose a lower risk than concentrating a large portion of my assets into a single investment product. I also acknowledge that I have sufficient liquid assets outside this investment to access for emergency purposes.

The language of this document is in the singular but applies to all signatories listed below individually or jointly as applicable.

## 8 Informed Decision and Consent to the Transaction(s)

By signing below, I indicate that I have made an informed decision to purchase this variable product and, if applicable, have reviewed the differences between this product and my original product. This product fits my investment needs and objectives, liquidity needs, time horizon, risk tolerance and my general financial situation and my signature below indicates my consent to the transaction(s), as well as receipt of the product prospectus and a copy of Morningstar's Annuity Intelligence Report for the product being purchased and comparison product if applicable.

Owner's Name

Signature

Date

Joint Owner's Name

Signature

Date

Registered Representative Signature

Rep Number

Date