

Draft: 12/19/19

Model #275

Comments are being requested on these proposed revisions. Comments should be sent only by email to Jolie Matthews at jmatthews@naic.org.

APPENDIX A

AGENT (PRODUCER) RELATIONSHIP DISCLOSURE FORM FOR ANNUITIES **Do Not Sign Unless You Have Read and Understand the Information in this Form**

Date: _____

INSURANCE AGENT/~~PRODUCER~~ INFORMATION (“Me”, “I”, “My”)

First Name: _____ Last Name: _____

~~Firm~~Business\Agency Name: _____ Website: _____

Business Mailing Address: _____

Business Telephone Number: _____

Email Address: _____

Insurance License # _____

CLIENT/CUSTOMER INFORMATION (“You”, “Your”)

First Name: _____ Last Name: _____

INSURANCE AUTHORIZATION/What Types of Products Can I Sell You?

I am licensed ~~and authorized~~ to sell ~~insurance products, including~~ annuities ~~in to you {State}~~ in accordance with state laws. 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

Whose Annuities Can I Sell to You?

I am authorized ~~and contracted or appointed or have access to offer to sell:~~

- ~~Products from **ONLY ONE INSURER** or Insurance Holding Company~~ ~~Products~~ Annuities from Multiple Two or More Insurers
- ~~Group~~ Annuities from Only One (1) Insurer
- ~~Products~~ Annuities from Multiple Two or More Insurers although I ~~am primarily contracted with one insurer~~ sell annuities from:

My Relationship with You:

- ~~One Time Transaction~~
- ~~On Going Relationship~~

My Compensation Structure How I'm Paid for My Work:

It's important for You to understand how I'm 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'm paid, please ask Me.

- Commissioned Transaction
- An asset under management fee
- Other, please describe: _____

I am likely to be compensated by the following sources for this relationship:

- Insurance Company
- The Consumer
- Third parties such as an Independent Marketing Organization (IMO) related to the Insurer

A Committee Chair's Suggestions for the "How I'm Paid for My Work" section in lieu of the above language:

How I'm Paid for My Work:

It's important for You to understand how I'm 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 or a related marketing organization, while fees may be paid to Me directly by You, or by the insurance company. Related to this transaction, I will receive this compensation:

- Fees
- Commission

In addition, I may receive other indirect compensation resulting from this transaction, including health or retirement benefits, office rent and support, or other fringe benefits or incentives from the insurance company or related marketing organization.

You May Ask Me Further About Compensation Paid to Me.

Drafting Note: This disclosure may be adapted to fit the particular business model of the producer. As an example, if the producer only receives commission or only receives a fee from the consumer, the disclosure may be refined to fit that particular situation. This form is intended to provide an example of how to communicate producer compensation, but compliance with the regulation may also be achieved with more precise disclosure, including a written consulting, advising or financial planning agreement.

~~Other Sources~~ _____

ADDITIONAL INFORMATION

~~You may obtain further information regarding the cash compensation paid to me.~~

National Producer Number in [State]: _____.

Business Entity Name on License: _____.

You can view my record as an insurance agent by going to the [state] Department of Insurance website: _____.

If am licensed to sell securities, my securities license number is: _____.

You can check my record as a broker at BrokerCheck: <https://brokercheck.finra.org/>

~~Client~~Customer Signature

Date

APPENDIX B

CONSUMER REFUSAL TO ~~DISCLOSE ALL OR PARTIAL CONSUMER PROFILE INFORMATION~~
FORM PROVIDE INFORMATION

Do Not Sign Unless You Have Read and Understand the Information in this Form

~~I understand that should I decline to provide the requested information, or should I provide inaccurate information, I am limiting the protection afforded me by the Insurance Code of this [state] regarding this purchase.~~

Why are you being given this form?

You're buying a financial product – an annuity.

To recommend a product that effectively meets your needs, objectives and situation, the agent, broker, or company needs information about you, your financial situation, insurance needs and financial objectives.

If you sign this form, it means you have not given the agent, broker, or company some or all the information needed to decide if the annuity effectively meets your needs, objectives and situation. You may lose protections under the Insurance Code of [this state] if you sign this form or provide inaccurate information.

Statement of Purchaser:

- I **REFUSE** to provide this information at this time.
- I have chosen to provide LIMITED information at this time.
- ~~My annuity purchase IS NOT BASED on the recommendation of this producer or the insurer.~~

~~Client~~Customer Signature

Date

APPENDIX C

Consumer Decision to Purchase an Annuity NOT Based on a Recommendation

Do Not Sign This Form Unless You Have Read and Understand It.

Why are you being given this form? You are buying a financial product – an annuity.

To recommend a product that effectively meets your needs, objectives and situation, the agent, broker, or company has the responsibility to learn about you, your financial situation, insurance needs and financial objectives.

If you sign this form, it means you know that you're buying an annuity that was not recommended.

Statement of Purchaser:

I understand that I am buying an annuity, but the agent, broker or company did not recommend that I buy it. If I buy it **without a recommendation**, I understand I may lose protections under the Insurance Code of [this state].

Customer Signature

Date

Agent/Producer Signature

Date