APPENDIX A

INSURANCE 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 [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 may 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

Commented [FACC1]: Since the first section is titled “Insurance Agent (Producer) Information”, the title of the form should be the same for consistency. In addition, FACC believes it is important for the consumer to understand this is an INSURANCE Agent or Producer making this recommendation as opposed to a securities representative or advisor.

Commented [FACC2]: To FACC’s knowledge, there is no specific investment or insurance license required to sell CDs. The statement “I need a separate license to …” is inaccurate as it relates to CDs. While, there are “broker offered CDs” it does not require a special license or authority under insurance or securities regulation.
Whose Annuities Can I Sell to You?

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

- Products from ONLY ONE INSURER or Insurance Holding Company Group: Annuities from
  - Only One (1) Insurer: From ONLY ONE: insurer although I am may sell annuities from other insurers in limited circumstances.

- Products from Multiple Two or More Insurers: 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

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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 on, a fee or both. 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
- A combination of Fees and Commissions

You May Ask Me Further About Commissions or Fees Paid to Me.

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.

Commented [FACC3]: FACC believes two choices reflect the marketplace. There isn’t a captive insurer of which we are aware that doesn’t allow their agents to sell designated products from other carriers when deemed necessary. We are basically trying to inform the customer that the producer is either captive or independent.

Commented [FACC4]: This sentence seems unnecessary. We believe all the information contained in this Disclosure Form is important for the consumer to understand.

Commented [FACC5]: FACC is concerned about introducing third parties. There is no prior reference or information provided to the consumer about “marketing organizations.” Inclusion here is confusing. Whether the compensation is paid directly by the carrier or through a third party (including brokerages, agencies, firm sharing agreements, etc. – and not just marketing organizations) is immaterial and confusing to the consumer. The money is always paid from the insurance company and not by the consumer directly.

Commented [FACC6]: FACC suggests that to be clear to the consumer that the “compensation” should be replaced with “Commissions or Fees” which is both more accurate and consistent with the foregoing discussion about agent commissions.
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, when applicable.

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/ 

[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:

Y I REFUSE to provide this information at this time.
Y I have chosen to provide LIMITED information at this time.
Y 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