

# Producer Guide to Suitability

*Note that your state may have state-specific forms and/or a state-specific version of the Agent Guide to Suitability, which are available on the agent secured website.*

## Finding the right fit

The member annuity companies of Great American Insurance Group offer a wide array of retirement products to help your clients reach their financial goals. As a producer, you play a key role in helping clients find solutions to meet their long-term or retirement needs. Helping clients achieve their goals begins with suitability.

## What is suitability?

Suitability means knowing your customer to tailor your product recommendation.

Suitability within the insurance industry refers to the relationship between your product recommendation and your client. When a product is suitable for your client's long-term or retirement goals, it's appropriate. In other words, it's a fit.

A thorough suitability analysis is an expected component of quality customer service and allows you to establish yourself as a competent, trustworthy professional. In doing so, it paves the way to client loyalty and building future relationships.

## Regulatory requirement

Many insurance regulators have established parameters for the sales process of all types of annuities including expectations regarding suitability. In most states suitability is a regulatory requirement.

The National Association of Insurance Commissioners (NAIC) issued a model regulation to address suitability concerns for all annuities (including traditional fixed, fixed-indexed and variable) and forms the basis for most state suitability regulations.

Our insurance subsidiaries require fairness, integrity and honesty in all customer interactions.

## Great American's view on suitability

Our insurance companies require their producers to fully discuss and evaluate each client's current financial situation and future objectives prior to recommending an annuity product.

We are dedicated to ensuring that our producers have the information and resources available to make a suitable sale. Some of these tools include:

*Please note: Although it is true that the tax-deferral advantage of annuities is redundant in a qualified plan, annuity products may offer other features, such as enhanced death benefit and unique investment features, that may make them a viable investment option for a portion of a qualified plan portfolio. An annuity which is purchased in a qualified plan should be chosen based on its other features and benefits as well as its risks and costs, not its tax benefits.*

## Fixed annuity sales training

Our insurance companies make available fixed annuity sales training where you will learn about our traditional fixed and fixed-indexed annuities, as well as current suitability practices. This training can be found on the agent secured website.

## Client Financial Disclosure (CFD) Information form

This form must be submitted for all IRAs and non-qualified sales, including transfers and rollovers to existing contracts. This form will help you capture the client's information so you can make a suitable determination. Non-qualified and IRA sales will be held as not in good order until we receive the fully completed Client Financial Disclosure Information form.

## CFD for Additional Purchase Payments

Please submit this form when making an additional purchase payment to an existing annuity contract that permits multiple payments. Complete and submit this form in its entirety for additional purchase payments for all IRAs and non-qualified, including transfers/rollovers to existing contracts.

## Questions to ask your clients

### What is their current financial situation?

- What is their monthly spendable income after tax and monthly expenses?
- Are their financial objectives being met with their current financial product portfolio?

### What are their future objectives?

- Financially where do they want to be in five years? 10 years? 20 years?
- How much time do they have until they need their money?
- How would they like to access funds in the future?
- What assets do they possess to cover anticipated needs and emergencies (after purchasing the proposed annuity)?

### Other considerations

- What is their risk tolerance?
- What are their lifestyle goals?
- How do they want death benefits paid to their beneficiaries?
- What is their health history?
- Is there a need to address lifestyle changes such as extended care?
- Do they anticipate a significant reduction in spendable income or a significant increase in future expenses?

## Financial Inventory Worksheet (FIW)

This worksheet is designed to help you construct a detailed financial profile for your clients and may help you complete the Client Financial Disclosure Information form. In our discretion, we may ask you to submit a completed Financial Inventory Worksheet in connection with any application you submit.

## Product guides and training

Our insurance companies make available detailed product guides and product-specific training which help you fully understand the benefits and features of its various products.

## Your role

Because no single product is right for everyone, you must develop a thorough understanding of the annuity products you are selling and of your client's current and future expenses. Also consider their current and future income needs, time horizon, lifestyle expectations and upcoming life events. Only after obtaining and analyzing all of the client's objectives and information is it possible to make a suitable recommendation.

At the time of sale you should make a record of all recommendations you have made.

## Replacements

When your recommendation involves the exchange or replacement of another insurance product, you must have a reasonable basis to believe that the transaction as a whole is suitable, taking into consideration all of the following:

- Whether the client will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits (such as death, living or other contractual benefits), or be subject to increased

fees, investment advisory fees or charges for riders and similar product enhancements;

- Whether the client will benefit from the enhancements and improvements of the new product; and
- Whether the client has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding five years.

## Internal Replacements

A Client Disclosure Form is required for all tax qualifications in all states. A Financial Inventory Worksheet may also be required.

## Special considerations for older clients

Clients ages 65 and older with lower incomes tend to have a higher liquidity need. The length of early withdrawal charges, free withdrawal privileges and the ability to annuitize the contract when needed are important considerations.

Encourage the participation of adult children or other family members in the sales process to help ensure that:

- The suitability information gathered is complete and accurate;
- All objectives and lifestyle events have been thoroughly considered; and
- There is a common understanding of the costs, benefits and features of the product recommendation.

## Special consideration for Minnesota and California Residents

For Minnesota and California clients age 65 and older, you may not recommend a replacement or exchange that involves a surrender charge unless the transaction as a whole confers a substantial financial benefit over the life of the annuity being purchased.

## Step-by-step instructions for completing the Client Financial Disclosure Information form and the Client Financial Disclosure Information form for Irrevocable Trusts

(forms on pages 5-7 & 8-10)

Important information:

- The fully completed Client Financial Disclosure Information form must be submitted with all IRAs and non-qualified sales, including transfers and rollovers to existing contracts.
- The Client Financial Disclosure Information form will assist you in capturing the suitability information that you will need to make a reasonable recommendation.
- All IRAs and non-qualified sales will be held as not in good order until we receive the completed form signed and dated on or prior to the application date.
- The form may be found in the New Business Kit section of the agent secured website.

*Please note: If you are submitting multiple applications for the same client or irrevocable trust at the same time, the client or trust's financial information and the purchase payments of the annuities should be combined and one Client Financial Disclosure Information form should be submitted.*

*Contract owners must complete form D2662316NW for additional purchase payments made on annuities that allow for multiple purchase payments. If contract owner is an irrevocable trust, use for D2662416NW.*

## A. Owner information

List the person or trust who will own the annuity.

- Use form D2624217NW unless noted otherwise. If the owner of the contract is from New Jersey, use form D2624217NJ. If owner of contract is from Massachusetts, use form D2624217MA.
- If the owner of the contract is an irrevocable trust, use Form D2658917NW. Specify the trust name, tax ID number and date at which the trust became irrevocable. Massachusetts residents use form D2658917MA.
- Specify the contract owner's name, social security number, age and employment status. Repeat these steps if there is a joint owner. If the joint owner is the owner's spouse, check the box.
- If the owner of the contract is different from the annuitant, the form must be completed based on the owner's information.
- If the owner of the contract is not an individual, complete the form based on the annuitant's information.
- If the owner is a revocable trust, complete the form based on the trust settlor's overall income, assets and health.

## B. Financial status

In order to recommend products that satisfy your client's or the trust's needs and financial objectives, you must discover a complete picture of their financial status. Use the questions and tips below to help your client(s) or trustee(s) complete the remaining sections of the form. If there is a joint owner, combined information must be provided. Please note, not all instructions below are applicable to both forms.

**Income:** Consider how the purchase of this annuity will affect your client's monthly spendable income, which refers to monthly household income minus monthly household living expenses, or trust's annual net income available for distribution to beneficiaries. Ask if there may be any significant decreases in your client's monthly spendable income, the trust's annual net income available for distribution, or liquid assets over the next 10 years.

**Trust Distributions:** Determine the purpose of trust distributions to beneficiaries from trust income and trust principal. If trust distributions are made for health/support/maintenance, specify the average amount of annual distributions and note if a significant increase in the needs of beneficiaries is expected in the next 10 years. Please note, this applies only to form D2658917NW.

**Marginal federal income tax rate:** Use Table 1 on page 4 to help determine your client's or the trust's marginal federal income tax rate. Please specify if a change is expected in your client's or the trust's marginal federal tax rate.

**Net worth:** Use the client's Financial Inventory Worksheet to help determine the client's/settlor's household net worth or the irrevocable trust's approximate net worth. Remember, your client's/settlor's household net worth does not include personal belongings or other personal property of the applicant, including but not limited to jewelry, furnishings or vehicles.

**Investment experience:** Ask if your client/settlor or trustee has invested before, and for how long.

**Risk tolerance:** Find out if the risk tolerance for the client/settlor or trust is low, moderate or high. If the risk tolerance is high, explain why the annuity applied for is suitable.

**Cash, savings, money market funds and other cash equivalents:** Find out how much will remain in cash, savings, money market funds and other cash equivalents after this annuity is purchased. Amounts to consider include any amount in a checking, savings or money market accounts, and amounts invested in stocks, bonds, mutual funds or other investments that are easily converted to cash without fees or penalties.

**Termination of Trust:** Determine when the trust is expected to terminate, the terms on which the trust will be terminated, and the estimated number of years until termination. Additionally, find out how the annuity will be handled upon termination of the trust. Please note this applies only to form D2658917NW.

**Retirement plans:** Ask if your client/settlor has a retirement plan, and its value.

**Life insurance:** Ask if your client/settlor owns life insurance, and the value of the policy or policies.

**Health of owner:** Ask if your client/settlor has been hospitalized in the last two years, and for how long. Also find out if a chronic, serious health problem exists.

**Joint owner/spouse/partner of owner:** Ask about the health of the joint owner, spouse or partner of the owner. This section of the form must always be completed.

## C. Purchase information

After selecting the total purchase payment for this annuity, you may find Table 2 on page 4 helpful in making other calculations.

## D. Financial objectives and considerations

- While learning about your client's/settlor's or trust's financial objectives, find out the reason your client/trustee wishes to purchase an annuity.
- Ask if sufficient available cash and liquid assets will remain to pay for living expenses, health care and emergencies after the annuity is purchased.
- Find out if your client/settlor or trust owns, or has owned, other financial products.
- Find out your client's/settlor's or trust's source of funds for the annuity's purchase payment. Ask if there are costs associated with the source of funds, and what percentage of the purchase price these costs represent.
- Find out if your client intends to apply for means-tested government benefits.

## E. Accessing money

- Ask how your client/settlor or trustee would like to access money in the future.
- Find out how your client/settlor or trustee would like to take distributions, as well as the anticipated date of the first distribution.

## F. Replacement

- Ask whether your client/settlor or trustee has exchanged or replaced an annuity and if so, when.
- Find out if your client/settlor or trustee is using another annuity for this annuity's purchase payment. If so, find out what benefits will be lost by purchasing this annuity. Additionally, ask how the previous annuity's cost and benefits compare to this annuity's cost and benefits.

## G. Purpose of Trust

- Find out if the trust is intended to qualify a wartime veteran, or the surviving spouse of a wartime veteran, for benefits from the Veteran's Administration. Please note, this applies only to form D2658917NW.

## H. Signatures

Make sure the owner, joint owner (if applicable), or trustee(s) and you sign and date the Client Financial Disclosure Information form on or prior to the application/order ticket/request form date.

### Financial Inventory Worksheet

The Financial Inventory Worksheet (page 13) is designed to help you construct a detailed financial profile for your clients. Information gathered from this worksheet may help you complete the Client Financial Disclosure Information form.

#### Important information:

- The Financial Inventory worksheet is required for all IRA and non-qualified sales \$250,000 or higher. However, in our discretion, we may ask you to submit the form in connection with any application/order ticket/request form you submit. Please note: in certain states this form is required for customers above a specific age.
- This worksheet may be found on our website.

#### The Financial Inventory Worksheet helps you determine your client's:

- Monthly spendable income
- Monthly living expenses
- Household net worth
- Total assets
- Total debt

**Table 1**

### 2018 marginal federal income tax rates Taxable income between:

Single		Married filing jointly	
\$0 – \$9,525	10%	\$0–\$19,050	10%
\$9,526 – \$38,700	12%	\$19,051–\$77,400	12%
\$38,701–\$82,500	22%	\$77,401–\$165,000	22%
\$82,501–\$157,500	24%	\$165,001–\$315,000	24%
\$157,501–\$200,000	32%	\$315,001–\$400,000	32%
\$200,001–\$500,000	35%	\$400,001–\$600,000	35%
Over \$500,000	37%	over \$600,000	37%
Head of household		Married filing separately	
\$0–\$13,600	10%	\$0–\$9,525	10%
\$13,601–\$51,800	12%	\$9,525–\$38,700	12%
\$51,801–\$82,500	22%	\$38,701–\$82,500	22%
\$82,501–\$157,500	24%	\$82,501–\$157,500	24%
\$157,501–\$200,000	32%	\$157,501–\$200,000	32%
\$200,001–\$500,000	35%	\$200,001–\$500,000	35%
over 500,000	37%	over \$500,000	37%

*Current tax rates available at [www.irs.gov](http://www.irs.gov)*

**Table 2**

To find:	Take:
Purchase payment as a percentage of net worth	Total purchase payment and divide by the approximate household net worth
Purchase payment as a percentage of investment portfolio	Total purchase payment and divide by investment portfolio (including cash value of insurance policies)
Value of all annuities owned as a percentage of net worth	Value of all annuities (including the proposed annuity purchase) and divide by net worth

# Client Financial Disclosure Information (CFD)



**Instructions:** Complete this form in its entirety for all IRAs and non-qualified sales, including transfers/rollovers to existing contracts, and submit it with the application. Provide combined information for the owner and his or her spouse/domestic partner/joint owner, as applicable. If the owner is to be a **revocable trust**, responses should be based on the **trust settlor's/grantor's** overall income, assets, and health. **If the owner is to be an irrevocable trust, use Form D2658917NW.**

**Owner/joint owner information**

<b>A</b>	Owner's name	SSN	Age	Employed: <input type="checkbox"/> Full time <input type="checkbox"/> Part time <input type="checkbox"/> Unemployed or Retired
	Joint owner's Name <input type="checkbox"/> <i>Check here if joint owner is spouse</i>	SSN	Age	Employed: <input type="checkbox"/> Full time <input type="checkbox"/> Part time <input type="checkbox"/> Unemployed or Retired

**A. Financial status**

**B**

- Monthly spendable income (**If \$0 to \$2,500 is selected, a financial inventory worksheet (FIW) must be completed and submitted with this CFD.**)  
 \$0-\$2,500 (FIW required)  \$2,501-\$5,000  \$5,001-\$7,500  \$7,501-\$10,000  \$10,001+
- Will the purchase of this annuity reduce your monthly spendable income?  Yes  No
- Do you anticipate any significant decrease in your monthly spendable income or liquid assets (e.g. increase in expenses or decrease in income) during the next 10 years?  Yes  No **If yes, explain:** \_\_\_\_\_
- What is your marginal federal tax rate?  0%-15%  16%-25%  26%-33%  33% and over
- Do you expect a change to your marginal federal tax rate?  Yes  No **If yes, explain:** \_\_\_\_\_
- Approximate household net worth – total net assets (other than primary residence and any personal property) minus total debt (other than mortgage or other debt owed on your primary residence) (**If \$0 to \$100,000 is selected, a FIW must be completed and submitted with this CFD.**)  
 \$0-\$100,000 (FIW required)  \$100,001-\$250,000  \$250,001-\$500,000  \$500,001+
- Investment experience  0-3 years  4-6 years  7-10 years  10+ years
- Risk tolerance  
 Limit risk/low to moderate growth potential  Moderate risk/medium to high growth potential  
 High risk/maximum growth potential, **explain annuity's fit:** \_\_\_\_\_
- Housing  
 Rent  Own (no mortgage)  Own (mortgage is 50% or less of estimated value)  Live with friend/family  
 Own (mortgage is 50% or more of estimated value)  Own (reverse mortgage lien on property)
- Investment portfolio (bonds, CDs, savings, stocks and other financial instruments)  
 Less than \$50,000  \$50,000-\$99,999  \$100,000-\$249,999  \$250,000-\$499,999  \$500,000+
- Cash, savings, money market funds and other cash equivalents (after the purchase of this annuity) (**If \$0 to \$10,000 is selected, a FIW must be completed and submitted with this CFD.**)  
 \$0-\$10,000 (FIW required)  \$10,001-\$25,000  \$25,001-\$50,000  \$50,001-\$100,000  \$100,001-\$200,000  \$200,001+
- Retirement plans  None  \$0-\$50,000  \$50,001+
- Life insurance  None  \$0-\$50,000  \$50,001-\$100,000  \$100,001+
- Health of owner  
 Good to excellent health  Fair to poor health  Chronic serious health problems  nursing home dependent
- Health of spouse of owner and/or joint owner (**must check one, if not applicable check N/A**)  
 N/A  Good to excellent health  Fair to poor health  Chronic serious health problem  Nursing home dependent



## B. Purchase information

1. Total purchase payment \$ \_\_\_\_\_  
**A FIW is required for all pending and active policies with a combined value of \$250,000 or more, issued by Great American Annuity Group. The FIW may also be requested for sales under \$250,000.**
2. Purchase payment as a percentage of net worth (total purchase payment divided by approximate household net worth) **(If 51%+ is selected, a FIW must be completed and submitted with this CFD.)**  
 1%-10%  11%-20%  21%-30%  31%-40%  41%-50%  51%+ (FIW required)
3. What percentage of your total investment portfolio (including cash value of insurance policies) is the potential annuity purchase? **(If 51%+ is selected, a FIW must be completed and submitted with this CFD.)**  
 0%-10%  11%-25%  26%-50%  51%+ (FIW required)
4. Value of all annuities owned by you as a percentage of your net worth (including the purchase of this annuity). **(If 51%+ is selected, a FIW must be completed and submitted with this CFD.)**  
 0%-10%  11%-25%  26%-50%  51%+ (FIW required)

## C. Financial objectives and considerations

1. What is the intended use of this annuity? *(check all that apply)*  
 Death benefit  Growth potential  Immediate income  Lifetime income  Safety  Tax-deferred growth  
 Medicaid  Veterans Administration  Other, explain: \_\_\_\_\_
2. Do you have sufficient available cash, liquid assets or other sources of income for current and future living expenses, health care and emergencies other than the money that you plan to use to purchase this annuity contract? **(If "No" is selected, a FIW must be completed and submitted with this CFD.)**  
 Yes  No (FIW required) If no, explain: \_\_\_\_\_
3. What other financial products do you currently own? *(check all that apply)*  
 None  Fixed annuities  Variable annuities  Savings/Checking  Life insurance  Certificates of deposit  
 Stocks/Bonds/Mutual funds  Other, explain: \_\_\_\_\_
4. What other financial products have you previously owned? *(check all that apply)*  
 None  Fixed annuities  Variable annuities  Savings/Checking  Life insurance  Certificates of deposit  
 Stocks/Bonds/Mutual funds  Other, explain: \_\_\_\_\_
5. What is your source for this annuity's purchase payment? *(check all that apply)*  
 Another annuity  Certificates of deposit  Home equity loan  Life insurance  Reverse mortgage/Home  
 Savings/Checking  Stocks/Bonds/Mutual funds  401 Plan  Other, explain: \_\_\_\_\_
6. Are there fees, penalties, surrender charges or other costs associated with the source of funds indicated in question 5 above?  
 Yes  No  
If yes, please provide the total of such costs \$ \_\_\_\_\_ and the percentage this represents \_\_\_\_\_ %.
7. Do you intend to apply for means-tested government benefits (e.g. food stamps, housing assistance, SSI, Snap), including, but not limited to, a state Medicaid (Medi-Cal) program or the veteran's aid and attendance benefit?  
 Yes  No **If yes, please list benefits:** \_\_\_\_\_

## D. Accessing your money

1. How do you anticipate taking distributions from this annuity? *(check all that apply)*  
 Annuitize  Free withdrawals  Immediate income  Leave to beneficiary  Loans  Lump sum surrender  
 Partial surrenders above free withdrawal  Required minimum distribution  Systematic withdrawals  Activate Rider  
 Other, explain: \_\_\_\_\_
2. When do you anticipate taking your first distribution? *(choose one)*  
 Less than 1 year  Between 1-5 years  Between 5-9 years  10+ years  None anticipated

## E. Replacement

1. Have you ever exchanged or replaced an annuity?

- No  
 Yes, within the last 5 years  
 Yes, more than 5 years ago

2. Is another annuity a source for this annuity's purchase payment?

- Yes  No

**If yes, please complete questions a) through d) below completely.**

a) What benefits with the other annuity will you lose? (**must choose one**)

- None  Enhanced death benefit  Income benefit  Living benefit  Other **If other, explain:** \_\_\_\_\_

b) What type of annuity is being replaced?

- Fixed annuity  Fixed indexed annuity  Variable annuity

c) Which of the following is true regarding the relationship of cost and benefits between the annuity being purchased and the annuity being replaced? (**must choose one**)

- Increased cost and increased benefits  Increased cost and lesser benefits  
 Similar cost and increased benefits  Similar cost and similar benefits  Other **If other, explain:** \_\_\_\_\_

d) Is the guaranteed minimum interest rate (GMIR) of the annuity or policy being replaced higher, lower, or the same as the annuity being purchased? (**must choose one**)

- GMIR for annuity being replaced is lower  
 GMIR for annuity being replaced is the same  
 GMIR for annuity being replaced is higher **If higher; please provide GMIR for annuity being replaced:** \_\_\_\_\_ %.

F

**Please note: All questions must be answered or your application will be held not in good order and will not be considered. This form must be signed and dated the same day as the application.** To the best of my knowledge and belief, the information above is true and complete. I understand that I should consult my tax advisor regarding possible tax implications of the purchase of an annuity or the exchange of an existing annuity of life insurance contract.

H

\_\_\_\_\_  
Owner's signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joint owner's signature (if applicable)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agent's signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agent number

# Client Financial Disclosure Information (CFD) For Irrevocable Trusts



*Instructions:* Complete this form in its entirety for all **sales, including exchanges/transfers/rollovers** to existing contracts, and submit it with the application/order ticket/request form. Provide information for the irrevocable trust that is to own the contract.

## A Owner information

Trust name	Tax ID number	Date Trust became Irrevocable
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## A. Financial status

- Trust's annual net income available for distributions to beneficiaries: **If \$0 to \$12,000 is selected, a financial inventory worksheet (FIW) for the trust must be completed and submitted with this CFD.**  
 \$0-\$12,000    \$12,001-\$25,000    \$25,001-\$50,000    \$50,001-\$100,000    \$100,001+
- Will the purchase of this annuity reduce the trust's annual net income available for distribution to beneficiaries?    Yes    No
- Do you anticipate any other significant decrease in the trust's liquid assets or annual net income available for distribution to beneficiaries (e.g. increase in expenses or decrease in net income) during the next 10 years?  
 Yes    No   **If yes, explain:** \_\_\_\_\_
- Trust distributions to beneficiaries from **trust income** (as defined for trust purposes to include inside buildup on an annuity contract):  
 mandatory distributions of net income    distributions for health/support/maintenance    distributions in trustee's discretion    other  
**If other, explain:** \_\_\_\_\_
- Trust distributions to beneficiaries from **trust principal**:  
 distribution for health/support/maintenance    distribution in trustee's discretion    distribution only upon trust termination    other  
**If other, explain:** \_\_\_\_\_
- If trust distributions are made for health/support/maintenance, average annual distributions:  
 Not applicable    \$0-\$12,000    \$12,001-\$25,000    \$25,001-\$50,000    \$50,001-\$100,000    \$100,001+
- If trust distributions are made for health/support/maintenance, do you anticipate any significant increase in the needs of the beneficiaries (e.g. future nursing home expenses) during the next 10 years?  
 Not applicable    Yes    No   **If yes, explain:** \_\_\_\_\_
- What is the trust's marginal federal tax rate?    0%-15%    16%-25%    26%-33%    33% and over
- Do you expect a change to the trust's marginal federal tax rate?    Yes    No   **If yes, explain:** \_\_\_\_\_
- Trust's approximate net worth – total trust net assets minus total trust debt: **If \$0 to \$100,000 is selected, a FIW must be completed and submitted with this CFD.**  
 \$0-\$100,000    \$100,001-\$250,000    \$250,001-\$500,000    \$500,001+
- Trust's liquid assets -- cash, savings, money market funds and other cash equivalents (after the purchase of this annuity) **If \$0 to \$10,000 is selected, a FIW must be completed and submitted with this CFD.**  
 \$0-\$10,000    \$10,001-\$25,000    \$25,001-\$50,000    \$50,001-\$100,000    \$100,001-\$200,000    \$200,001+
- When is the trust expected to terminate?  
 on death of grantor    on death of other person: \_\_\_\_\_    as determined in trustee's discretion  
 fixed number of years or fixed age    other event   **If other, explain:** \_\_\_\_\_
- Estimated number of years until trust termination:    0-3 years    4-6 years    7-10 years    10+ years
- How will this annuity be handled at trust termination?  
 distribute death benefit proceeds    distribute surrender proceeds    distribute contract ownership to single beneficiary

## B



**A. Financial status continued**

15. Trustee's investment experience:  0-3 years  4-6 years  7-10 years  10+ years

16. Trust's risk tolerance:

Limit risk/low to moderate growth potential  Moderate risk/medium to high growth potential

*Explain annuity's fit:* \_\_\_\_\_

**B. Purchase information**

1. Total purchase payment \$ \_\_\_\_\_

**A FIW is required for all policies with a combined value of \$250,000 or more issued by Great American Annuity Group. The FIW may also be requested for sales under \$250,000.**

2. Purchase payment as a percentage of trust's net worth (total purchase payment divided by trust's approximate net worth) **If 51%+ is selected, a FIW must be completed and submitted with this CFD.**

1%-10%  11%-20%  21%-30%  31%-40%  41%-50%  51%+ (FIW is required)

3. Value of all annuities owned by the trust as a percentage of the trust's net worth (including the purchase of this annuity): **If 51%+ is selected, a FIW must be completed and submitted with this CFD.**

0%-10%  11%-25%  26%-50%  51%+ (FIW is required)

**C. Financial objectives and considerations**

1. What is the intended use of this annuity? (check all that apply)

Death benefit  Growth potential  Immediate income  Lifetime income  Safety  Tax-deferred growth  
 Medicaid  Veterans Administration  Other **If other, explain:** \_\_\_\_\_

2. Does the trust have sufficient liquid assets or income for current and future expenses and distributions to beneficiaries (including distributions for the health care and emergencies for a beneficiary) other than the money that you plan to use to purchase this annuity contract? **If "No" is selected, a FIW must be completed and submitted with this CFD.**

Yes  No **If no, explain:** \_\_\_\_\_

3. What other financial products does the trust currently own? (check all that apply)

None  Fixed annuities  Variable annuities  Savings/Checking  Life insurance  Certificates of deposit  
 Stocks/Bonds/Mutual funds  Other **If other, explain:** \_\_\_\_\_

4. What other financial products has the trust previously owned? (check all that apply)

None  Fixed annuities  Variable annuities  Savings/Checking  Life insurance  Certificates of deposit  
 Stocks/Bonds/Mutual funds  Other **If other, explain:** \_\_\_\_\_

5. What is the trust's source for this annuity's purchase payment? (check all that apply)

Another annuity  Savings/Checking  Certificates of deposit  Life insurance  Loan  
 Stocks/Bonds/Mutual funds  Other **If other, explain:** \_\_\_\_\_

6. Are there fees, penalties, surrender charges or other costs associated with the source of funds indicated in question 5 above?

Yes  No **If yes, provide the total of such costs:** \$ \_\_\_\_\_ **and the percentage this represents:** \_\_\_\_\_ %

7. Does a person who was the source of funds for this trust intend to apply for means-tested government benefits (e.g. food stamps, housing assistance, SSI, Snap), including, but not limited to, a state Medicaid (Medi-Cal) program or the veteran's aid and attendance benefit?

Yes  No **If yes, please list benefits:** \_\_\_\_\_

**E**

**D. Accessing the trust's money**

1. How does the trust anticipate taking distributions from this annuity? (*check all that apply*)
- Annuitize    Free withdrawals    Partial withdrawals above free withdrawals    Lump sum surrender    Death benefit  
 Immediate income    Required minimum distribution    Systematic withdrawals    Living benefit rider payments  
 Distribute contract to trust beneficiary    Other ***If other, explain:*** \_\_\_\_\_
2. When does the trust anticipate taking its first distribution? (*choose one*)
- Less than 1 year    Between 1-5 years    Between 5-9 years    10+ years    None anticipated

**E. Replacement**

1. Have you ever exchanged or replaced an annuity?
- No  
 Yes, within the last 5 years  
 Yes, more than 5 years ago
2. Is another annuity a source for this annuity's purchase payment?
- Yes    No
- If yes, please complete questions a) through d) below completely.***
- a) What benefits with the other annuity will you lose? (***must choose one***)
- None    Enhanced death benefit    Income benefit    Living benefit    Other ***If other, explain:*** \_\_\_\_\_
- b) What type of annuity is being replaced?
- Fixed annuity    Fixed indexed annuity    Variable annuity
- c) Which of the following is true regarding the relationship of cost and benefits between the annuity being purchased and the annuity being replaced? (***must choose one***)
- Increased cost and increased benefits    Increased cost and lesser benefits  
 Similar cost and increased benefits    Similar cost and similar benefits    Other ***If other, explain:*** \_\_\_\_\_
- d) Is the guaranteed minimum interest rate (GMIR) of the annuity or policy being replaced higher, lower, or the same as the annuity being purchased? (***must choose one***)
- GMIR for annuity being replaced is lower  
 GMIR for annuity being replaced is the same  
 GMIR for annuity being replaced is higher ***If higher; please provide GMIR for annuity being replaced:*** \_\_\_\_\_ %

**F**

**F. Purpose of Trust**

1. Is trust intended to qualify a wartime veteran, or the surviving spouse of a wartime veteran, for benefits from the Veteran's Administration?
- Yes    No

**Please note: All questions must be answered or the application will be held not in good order and will not be considered. This form must be signed and dated the same day as the application.** To the best of my knowledge and belief, the information above is true and complete. I understand that I should consult my tax advisor regarding possible tax implications of the purchase of an annuity or the exchange of an existing annuity of life insurance contract.

**H**

Trustee's signature	Date	Co-Trustee's signature	Date
Agent's signature	Date	Agent number	



# Client Financial Disclosure Information for Additional Purchase Payments (CFD Add) For Irrevocable Trusts



**Instructions:** Please submit this form when making an additional purchase payment to an existing annuity contract that permits multiple payments. Complete and submit this form in its entirety for additional purchase payments including transfers/rollovers to an existing contract owned by an irrevocable trust.

## Owner information

Trust name	Tax ID Number	Existing Contract #	Date Trust became Irrevocable
------------	---------------	---------------------	-------------------------------

## A. Purchase information

- C**
- Total amount of additional purchase payment \$ \_\_\_\_\_  
**A Financial Inventory Worksheet (FIW) is required for all pending and active policies with a combined value of \$250,000 or more, issued by Great American Annuity Group. The FIW may also be requested for sales under \$250,000.**
  - What is the trust's source for this annuity's additional purchase payment? (check all that apply)  
 Another annuity    Certificates of deposit    Home equity loan    Life insurance    Reverse mortgage/Home Savings/Checking    Stocks/Bonds/Mutual funds    Other, explain: \_\_\_\_\_
  - Are there fees, penalties, surrender charges or other costs associated with the source of funds indicated in question 2 above?  
 Yes    No   **If yes, please provide the total of such costs \$ \_\_\_\_\_ and the percentage this represents \_\_\_\_\_ %.**

## B. Replacement

- F**
- Has an annuity been exchanged or replaced previously?  
 No  
 Yes, within the last 5 years  
 Yes, more than 5 years ago
  - Is another annuity a source for this annuity's additional purchase payment?  
 Yes    No  
**If yes, respond to all of the following questions.**
    - What benefits with the other annuity will be lost? (**must choose one**)  
 None    Enhanced death benefit    Income benefit    Living benefit    Other   **If other, explain:** \_\_\_\_\_
    - What type of annuity is being replaced?  
 Fixed annuity    Fixed indexed annuity    Variable annuity
    - Which of the following is true regarding the relationship of cost and benefits between the annuity purchased and the annuity being replaced? (**must choose one**)  
 Increased cost and increased benefits    Increased cost and lesser benefits  
 Similar cost and increased benefits    Similar cost and similar benefits    Other   **If other, explain:** \_\_\_\_\_
    - Is the guaranteed minimum interest rate (GMIR) of the annuity or policy being replaced higher, lower, or the same as the annuity being purchased? (**must choose one**)  
 GMIR for annuity being replaced is lower  
 GMIR for annuity being replaced is the same  
 GMIR for annuity being replaced is higher   **If higher, please provide GMIR for annuity being replaced:** \_\_\_\_\_ %.

**Please note:** All questions must be answered or your request for additional purchase payments into your existing annuity contract will be held not in good order and will not be considered. This form must be signed and dated the same day as your request to transfer funds. To the best of my knowledge and belief, the information above is true and complete; and the information previously provided regarding the trust's investment objective, risk tolerance, and financial information continues to be accurate. I understand that I should consult my tax advisor regarding possible tax implications of the purchase of an annuity or the exchange of an existing annuity of life insurance contract.

\_\_\_\_\_  
Trustee's signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Trustee's signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agent's signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agents number

# Financial Inventory Worksheet



- **Required** for all IRA and non-qualified sales \$250,000 or higher **and** required when Household Net Worth is less than \$100,000.
- **Required** when **all** active and pending annuities with Great American exceeds \$250,000.
- May be requested for IRA and non-qualified sales lower than \$250,000.

## A. MONTHLY SPENDABLE INCOME

*Include spouse/partner*

### Monthly Household Income

Salary/Wages	\$ _____
Social Security Benefit	\$ _____
Pension/Retirement Benefit	\$ _____
Interest/Dividend Income	\$ _____
Rental Income	\$ _____
Other	\$ _____
<b>Total Income</b>	<b>\$ _____</b>

### Monthly Living Expenses

Rental/Mortgage Payment	\$ _____
Utilities/Transportation/Food	\$ _____
Credit Card Repayment	\$ _____
Other Debt Repayment	\$ _____
Healthcare and Health Ins.	\$ _____
Taxes ( <i>property and income</i> )	\$ _____
Other	\$ _____
<b>Total Expenses</b>	<b>\$ _____</b>

### MONTHLY SPENDABLE INCOME

$$\begin{array}{r}
 \$ \underline{\hspace{2cm}} \\
 \textit{Total Income}
 \end{array}
 -
 \begin{array}{r}
 \$ \underline{\hspace{2cm}} \\
 \textit{Total Expenses}
 \end{array}
 =
 \begin{array}{r}
 \$ \underline{\hspace{2cm}} \\
 \textit{Monthly Spendable Income}
 \end{array}$$

## B. HOUSEHOLD NET WORTH

*Do not include mortgages on primary residence, personal belongings or personal property such as jewelry, furnishings and vehicles.*

### Assets

<b>Funds used for this purchase</b>	\$ _____
Checking/Savings/Money Markets	\$ _____
Stocks/Bonds/Mutual Funds/CDs	\$ _____
All Annuities within Surrender <i>(Excluding this purchase)</i>	\$ _____
All Annuities Out of Surrender	\$ _____
Other Retirement Acct. Balances	\$ _____
Real Estate <i>(Exclude primary residence)</i>	\$ _____
Life Insurance Cash Values	\$ _____
Business Equity	\$ _____
Other	\$ _____
<b>Total Assets</b>	<b>\$ _____</b>

### Debts

Mortgage Loan <i>(Exclude primary residence)</i>	\$ _____
Total Credit Card Debt	\$ _____
Home Equity Loans	\$ _____
Personal/Vehicle Loans	\$ _____
Taxes/Judgements	\$ _____
Other	\$ _____
<b>Total Debt</b>	<b>\$ _____</b>

### HOUSEHOLD NET WORTH

$$\begin{array}{r}
 \$ \underline{\hspace{2cm}} \\
 \textit{Total Assets}
 \end{array}
 -
 \begin{array}{r}
 \$ \underline{\hspace{2cm}} \\
 \textit{Total Debt}
 \end{array}
 =
 \begin{array}{r}
 \$ \underline{\hspace{2cm}} \\
 \textit{Household Net Worth}
 \end{array}$$

Agent Comments: \_\_\_\_\_

Client Name: \_\_\_\_\_ Policy Number: \_\_\_\_\_

Agent Signature: \_\_\_\_\_ Date: \_\_\_\_\_