

# Requirements for Business Involving a Trust

We value your business and strive to make doing business with us easy. To help ensure your paperwork is complete and to avoid processing delays, please follow the below requirements when submitting new business where a trust is named as the owner of the annuity, or when requesting a change of ownership into or out of a trust.

## Trust Certification

Complete the appropriate Trust Certification form(s). All questions and information must be completed.

- **Trust Certification** (X6017907NW): To be completed for all trusts.
- **Trust Certification – Irrevocable Trust Addendum** (X6057018NW): This additional form should be completed only if the basic Trust Certification indicates that the trust is irrevocable.
- **Trust Certification – Inherited Contract Addendum** (X6057518NW): This additional form should be completed if the contract to be issued is an Inherited IRA or Inherited NQ contract.



**Do not send us the trust document.** If we receive the trust document, we are not allowed to rely on a Trust Certification that is inconsistent with the terms of the trust. Whenever we receive a trust document, it will need to go to our Legal Department for review, and processing delays may result.

## Owner

The trust that is to own an annuity should be named as the sole owner. The date of the trust should always be specified. If the trust has been divided into multiple sub-trusts or shares, please identify the sub-trust or share in the owner name. For example, “John & Jane Doe Tr 05/18/08 – Surv Tr” or “Smith Family Tr 12-01-97 FBO Samantha Smith.”

The trustees of the trust must sign as the owner on the application and all related documents, or as the new owner on the Ownership Change form. A trustee should write “Trustee” or “TTEE” after his or her signature. Generally, all trustees should sign the Trust Certification form(s). Some trusts require all trustees to sign all paperwork (see Section 4 of the Trust Certification).

## Annuitant

Be sure to name the proper annuitant(s).

- For a **revocable trust**, to comply with tax law requirements, each living grantor must be named as annuitant. If more than one, they must be named as joint annuitants.
- For an **irrevocable trust that is a grantor-type trust**, to comply with tax law requirements, each person identified as a substantial owner of the trust must be named as annuitant. If more than one, they must be named as joint annuitants.
- For an **irrevocable trust that is not a grantor-type trust**, to comply with suitability standards, each person whose death will trigger the termination or division of the trust may need to be named as annuitant.

### Important note about annuitants in section 1035 exchanges

If the trust is a revocable trust or a grantor-type irrevocable trust and the annuitant(s) listed on the contract at the prior carrier does not meet our requirements outlined above:

- On the application, please list the annuitant(s) that comply with our requirements
- On the transfer paperwork, please list the current annuitant(s) on the contract at the prior carrier
- Complete the 1035 Exchange – Trust Processing Detail form (S6052416NW) to request a pre-issue change of annuitant(s) that will comply with our requirements

For an irrevocable trust that is not a grantor-type trust, the annuitant(s) on our contract must be the same as the annuitant(s) for the contract at the prior carrier. We will need verification of the annuitant(s) named for the contract at the prior carrier. If an annuitant for the contract at the prior carrier is deceased, we can accept the business only as an **inherited non-qualified** contract.

## Beneficiary

The trust itself must be named the sole primary beneficiary. This avoids a possible conflict between the terms of the trust and the beneficiary rules of the contract.

## New Purchase Payments

If the funds to be applied to a contract are not coming from the trust itself, our Third Party Check form (N2654911NW) must be completed by the owner of the funds.

## Client Financial Disclosure/Suitability Review

For new business:

- If the trust is a **revocable trust**, then the trustee should complete Client Financial Disclosure (D2624217NW) based on the grantor's income, assets and health (whether or not the trustee is the grantor).
- If the trust is an **irrevocable trust**, then the trustee should complete Client Financial Disclosure for Irrevocable Trusts (D2658917NW) based on the trust's income, assets and obligations. Note Florida requires state-specific versions of the forms.

## Transfers of Ownership Out of Trust

The Ownership Change form must be signed by the trustee(s). Additionally:

- If the trust is **revocable**, no additional documentation beyond the basic Trust Certification is required, but the transfer must be from the trust to a grantor of the trust.
- If the trust is **irrevocable**, complete Trust Certification – Change of Ownership to Trust Beneficiaries (X6057118NW).

## Qualified Contracts

We will not issue an IRA or other qualified contract to a trust unless the contract is an inherited IRA, or the trust is an employer pension trust.

## Agent Conflicts of Interest

Except in limited family situations, we will not accept new business where the insurance professional or a close family member of the insurance professional is a trustee or beneficiary of the trust.

We will not accept new business where the insurance professional is also performing legal services for the client as a lawyer.

Please refer to our Market Conduct & Compliance Guide for more information. Thank you for choosing Great American.