

Reviewing Annuities for Suitability

Potential Owner's Guidelines for All Ages

- YES NO - Is the answer to Question 3 (Annual Disposable Income) a positive \$20,000 or more?
- YES NO - Is the Answer to the Question 6 "No"?
- YES NO - Are the answers to Questions 9a. and 9b "No"?

Potential Owner's Age 65 or Older Thresholds

- YES NO - Is the Premium for the annuity no more than 5 times the answer to Question 3 (Annual Disposable Income)?
- YES NO - Is the premium for the annuity no more than 25% of the answer to Question 4 (Net Worth)
- YES NO - Is the answer to the Question 5 (Liquid Assets) \$75,001 or more?

Potential Owner's Age 64 or Younger Thresholds

- YES NO - Is Annual Disposable Income (Question 3) \$100,001 or more?
(If YES, there is no liquidity requirement)
- YES NO - If the Annual Disposable Income is \$100,000 or less, is the answer to Question 5 equal to or more than the Percentage of Disposable Household Income Required as Liquid Assets as illustrated in the second column in the chart on the next page?

Replacements

- YES NO - If the sale involves the replacement of an existing annuity, is there a completed Replacement Notice (A-52) included in the application package?

Mitigating Factors (if any "NO" Answers Above)

- YES NO - Is the purchase of the annuity funded from a transfer from another qualified plan?
- YES NO - Are All Liquid Assets Included in the Financial Worksheet?
 - Annual Disposable Income Free Withdrawals from Other Annuities Life Insurance Cash Value
 - Any Account or Investment that Can Be Easily Converted to Cash without of a Fee or Penalty
 - Marketable Assets with Market Value
- **Other Considerations Which May Increase the Potential Owner's Liquidity Situation:**
 - Immediate Annuities Which Increase the Disposable Income
 - The Potential Owner has Insurance with Nursing Home Benefits
 - Unique circumstances that should be considered in Determining the Potential Owner's Suitability
 - Financial objective is to pass on the annuity to beneficiaries
 - When source is savings/checking or CD and premium does not exceed Household Liquid Assets
- **Additional Information on "NO" Answers Above:**

Annuity is Suitable? YES NO

Reviewed by: _____ Date: _____

2nd Reviewer (for applicants age 65+): _____

Percentage of Disposable Household Income Required as Liquid Assets

Chart Showing Suggested Liquidity for Potential Owners of Fixed Annuities Who Are Age 64 and Younger	
Annual Disposable Income	Percentage of Annual Disposable Household Income Required as Liquid Assets
\$25,000 or Less	100%
\$25,001 - \$30,000	95%
\$30,001 - \$35,000	90%
\$35,001 - \$40,000	85%
\$40,001 - \$45,000	80%
\$45,001 - \$50,000	75%
\$50,001 - \$55,000	70%
\$55,001 - \$60,000	65%
\$60,001 - \$65,000	60%
\$65,001 - \$70,000	55%
\$70,001 - \$75,000	50%
\$75,001 - \$80,000	45%
\$80,001 - \$85,000	40%
\$85,001 - \$90,000	35%
\$90,001 - \$95,000	30%
\$95,001 - \$100,000	25%
\$100,001 and Over	0%