

Client Suitability Analysis

Owner/Joint Owner Information Section

If a Trust will be the owner, complete this form using the Trust's financial information. You may include the financial information of the grantor, if living. Any additional information that provides a more complete understanding of the suitability of a trust arrangement should be included in written form on page 3. All trust documentation must accompany this form.

Owner Full Name: _____

Marital Status: Married Single

List Number of Dependents: _____ Dependent Ages: _____

Employed: Yes No Part-time Full-time Retired Occupation: _____

Joint Owner Full Name: _____ Relationship to Owner: _____

Financial Profile Section

A IAR must ask a consumer/applicant questions concerning his or her:

- approximate gross annual income;
- estimated net worth (excluding primary residence, furnishings, automobiles, etc.);
- liquid net worth;
- liquidity needs;
- financial situation and needs, including the financial resources used to fund the annuity;
- financial experience;
- financial objectives;
- intended use of the annuity;

- financial time horizon;
- existing assets, including currently owned life insurance and annuities;
- risk tolerance;
- tax status.

Note: if joint owners are spousal please provide the household financial information below. If joint owners are not spouses, complete a separate Annuity Stability Form for each person.

QUESTION 1

Type of Account:

 Individual Joint IRA Keogh/SER Other _____**QUESTION 2**

Account Registration

Name: _____

Address: _____

Daytime Phone: (_____) _____ - _____ Evening Phone: (_____) _____ - _____

Social Security Number: _____ Date of Birth: _____ / _____ / _____

I am a: U.S. Citizen Permanent Resident Alien Nonresident Alien**If the account is to be held in joint name, please provide the following information:**

Joint Account Holder's Name: _____

Social Security Number: _____ Date of Birth: _____ / _____ / _____

I am a: U.S. Citizen Permanent Resident Alien Nonresident Alien



Joint tenants with rights of survivorship.

Joint tenants in common. If interests are not equal, please designate percentages.

The Account Holder: _____ % The Joint Tenant: _____ %

QUESTION 3

QUESTION 1

1. Have you had experience with any of the following investments and insurance products. If so, how long?

- Mutual Funds _____ # of years 401(k) Plans _____ # of years Stocks _____ # of years
 Bonds _____ # of years CDs _____ # of years Savings Accounts _____ # years
 Life Insurance _____ # of years Annuities _____ # of years Other _____ # of years

QUESTION 2

2. In considering this product, what is your risk tolerance?

- Conservative (Low Risk) Moderately Conservative Moderate
 Moderately Aggressive Aggressive (High Risk)

Why is this important? A customer's risk tolerance reflects the degree to which they are willing to risk losing money for the potential of large gains. Younger people normally can be more aggressive with their investing because they have longer to recoup their losses. Seniors are generally more conservative because they are interested in making sure they have enough funds for the rest of their lives.

QUESTIONS 3 & 4

3. Annual Gross Income: \$ _____

4. Source of Income: (Check all that apply)

- Salary (W-2) Investments Social Security Pension Plans Reverse Mortgage Other _____

QUESTION 5

5. What type of investment and insurance products do you already own?

- Mutual Funds Stocks Bonds CDs Savings Accounts 401(k) Plans Fixed Annuities
- Term Life Whole Life Variable Annuities Variable Life Insurance Indexed Life Insurance
- Indexed Annuities Other _____

Why is this important? Knowing what investments or insurance products that your client currently owns gives you a broader picture of your client's financial situation. You will be able to tell if there are any investments that your client owns that are easily liquid should there be an emergency.

QUESTIONS 6 - 8

6. Liquid Net Worth (prior to purchasing this annuity): **(These are assets that can easily be converted to cash without incurring penalty charges. Do not include funds from a reverse mortgage.)** \$ _____

7. After the purchase of this annuity, will your income and liquid net worth be enough for living expenses, including medical expenses and emergencies? Yes No

8. After the purchase of this annuity, how many months of living expenses can your Liquid Net Worth cover?

- 1-3 months 4-6 months 7-12 months 13+ months

Note: many financial planners recommend that a person maintain an amount of liquid net worth equal to 3 to 6 months of a person's monthly living expenses in case of emergencies.

QUESTION 9 -10

9. What is your estimated Federal Income Tax Bracket?

- 0% 10% 15% 25% 28% 33% 39%

10. What is your estimated State Income Tax Bracket?

- 1% 2% 3% 4% 5% 6% 7% 8% 9% 10% Over

Why is this important? The client's tax status can be an indicator as to what the client is trying to accomplish with this annuity.

If the client is in a higher tax bracket: they may be purchasing the annuity as a means to defer their tax burden. If a client is a senior and indicate that they have only social security as their income yet check that they are in a higher tax bracket, you might be missing information that is important to this transaction.

In the instance of a replacement, you need to be mindful of any tax consequences that might occur due to this transaction.

QUESTION 11

11. Have you taken or do you intend to take a reverse mortgage in the next 12 months on your personal residence? Yes No

QUESTIONS 12 – 13

12. Are you currently living in or are you planning in living in an Assisted Living Facility within the next 3 years?

Yes No Please explain: _____

13. Are you currently living in or are you planning on living in a nursing home within the next 3 years?

Yes No Please explain: _____

QUESTIONS 14 – 16

TRANSACTION INFORMATION

14. Why are you purchasing this annuity? (Check all that apply)

Immediate Income Stable Growth Tax Deferral Estate Planning Death Benefit
 Safety of Principal Retirement Other _____

15. With the exception of any surrender charge free withdrawal or immediate annuity payout, do you expect to withdraw any money from this annuity before the end of the surrender charge/penalty period? Yes No

If "yes", please explain _____

16. What source of funds will you use to buy this annuity? (Check all that apply)

Savings Account Money Market Bond CD Stocks/Bonds/Mutual Funds
 Home Equity Loan Reverse Mortgage Annuity Life Insurance
 Retirement Gift from _____

Other (please list) _____

a. Will any potential charges or penalties be incurred by using the above funds? Yes No

- b. Is the person writing the check other the proposed owner of the annuity? Yes No
 Please explain: _____
- c. Is the source of funds from a previously owned life insurance policy or annuity contract? Yes No
 Please explain: _____

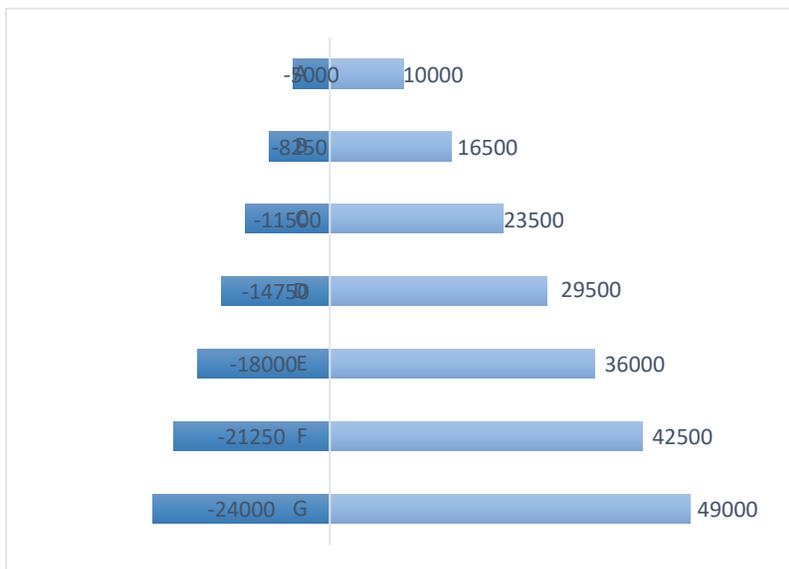
CHECK ALL THAT APPLY

Why is this important? Before recommending an annuity for purchase, the producer should review the current financial situation to determine if the product being proposed will help the consumer attain those goals and objectives. Financial goals and objectives include:

- retirement planning,
- education for children,
- gifts or donations,
- long term health care and
- anything else that might assist the consumer in itemizing major plans for the future.

QUESTION 17

17. The graph below shows the potential range of gains or losses of a \$10,000 investment in each of seven hypothetical portfolios at the end of a 1-year period. The number to the right of each bar shows the best potential gain for that portfolio, while the number to the left of each bar shows the worst potential loss. Given that this is the only information you have on these seven hypothetical portfolios, which one would you choose to invest in?



- Portfolio A
- Portfolio B
- Portfolio C
- Portfolio D
- Portfolio E
- Portfolio F
- Portfolio G

QUESTION 18

18. Inflation (rising prices for goods and services) can have a significant effect on your investments by decreasing their potential purchasing power over time. Aggressive investments have historically outpaced inflation over the long run, but have had more instances of short-term losses than more conservative investments. How do you feel about inflation and its impact on your investments?

You are satisfied with your investments keeping pace with inflation. Limiting the potential for short-term loss is your main goal, and you are willing to sacrifice the potential for higher returns.

You would like your investments to outpace inflation. You are willing to assume some potential for short-term loss in order to achieve that goal.

You prefer that your investments significantly outperform inflation. You are willing to assume a greater potential for short-term loss in order to achieve that goal.

QUESTION 19

19. Suppose that a substantial portion of your investment portfolio is invested in securities. If the stock market were to experience a prolonged down market, losing 50 percent of its value over a 3-year period, what would you do (assuming your stocks behaved in a similar fashion)?

Sell all the stocks in your portfolio. You are afraid that the stock market is in a downturn and you cannot afford the decrease in value.

Sell half the stocks in your portfolio. You think that the market may rebound, but you are not willing to leave all of your investment exposed to further loss.

Hold the securities in your portfolio. You understand that your investment may be subject to short-term price swings and are comfortable 'weathering the storm'.

Buy more securities for your portfolio to take advantage of their low price. You are comfortable with market fluctuations and assume that the stocks will regain their previous value or increase in value.

QUESTION 20

20. Once again, assume you have a substantial portion of your investment portfolio in stocks. If the stock market were to gradually decline at an average of 2 percent per month, eventually losing 22% of its value over a year, which of the following would you do?

Sell the securities in your portfolio and realize the 22% loss. You wish to avoid the risk of further loss.

Sell half of the securities in your portfolio. You are not willing to leave all of your investment at risk for further loss.

Do nothing. You are comfortable waiting for the stocks to regain their previous value or to increase in value.

Invest more now because stocks are selling for approximately 22% less than they were 12 months ago. You believe that the stocks will regain their value or possibly appreciate even higher over the long-term.

QUESTION 21

21. Aggressive investments have historically provided higher returns while exhibiting greater short-term price fluctuations and potential for loss. How do you feel about fluctuations in the value of your portfolio?

- You want to minimize the possibility of loss in the value of the portfolio. You understand that you are sacrificing higher long-term returns by holding investments that reduce the potential for short-term loss and price fluctuations.
- You can tolerate moderate losses in order to achieve potentially favorable returns.
- You can tolerate the risk of large losses in your portfolio in order to increase the potential of achieving high returns.

QUESTION 22

22. What is the investment time horizon on these investable assets?

- Less than 3 years
- 3 – 5 years
- 6 – 9 years
- 10+ years

QUESTION 23

23. Will you make additional contributions/deposits to these assets?

- Yes No

If yes, please indicate the expected amount as either:

_____ % per year, or \$_____ per year.

When do you anticipate these deposits begin? _____

QUESTIONS 24-25

24. Are there any limitations to holding specific asset classes in the portfolio? (e.g., emerging markets)

- Yes No

If yes, note below any maximum or minimum percentages on a particular asset class (e.g., no more than 50% equities)

25. Do you wish to prohibit investments in certain securities or industry groups? (e.g., XYZ Corp. stock, alcohol, tobacco or gaming industries, etc.)

QUESTIONS 26-27

26. From the list below, if you were to select your top three priorities when selecting an investment program what would they be?

- Broad Diversification Maximum Customization Tax Management
 Minimal Fees Automated Rebalancing

27. From the list below, if you were to pick the top three priorities that you use during product selection, what would they be?

- Minimize Volatility Maximize Up Capture Ratio*
 Maximize Returns (Performance) Minimize Down Capture Ratio*
 Maximize Yield

*Note: the Up Capture Ratio looks at how much of the market return the fund “captured” during positive periods. The Down Capture Ratio looks at how a fund manager did relative to the benchmark during periods of negative returns.

QUESTIONS 28-30

28. When do you plan to begin taking withdrawals from this portfolio?

- Less than 1 year 1 to 2 years 3 to 5 years 6 to 10 years 11 to 15 years
 More than 15 years

29. Over what period of time do you plan to spend the money in this portfolio?

- 2 years or less 3 to 5 years 6 to 10 years 11 to 15 years More than 15 years

30. When making a long-term investment, for how long do you plan to hold the investment?

- 1 to 2 years 3 to 4 years 5 to 6 years 7 to 8 years 9 or more years

QUESTION 31

31. Would you invest in a mutual fund based solely on a brief conversation with a friend, coworker, or relative?

- Yes No

QUESTION 32-33

32. In October 1987, stocks fell more than 20% in one day. If you owned an investment that fell by 20% over a short period, how would you react? If you owned stocks in October 1987, select the answer that corresponds to your actual behavior.

- Sell all of the remaining investment. Sell a portion of the remaining investment.
 Hold the investment and sell nothing. Buy more of the investment.

33. During the first half of 1994, some bond investments fell by more than 10%. If you owned an investment that fell by 10% over a short period of time, how would you react? If you owned bonds during the first half of 1994, select the answer that corresponds to your actual behavior.

- Sell all of the remaining investment. Sell a portion of the remaining investment.
 Hold the investment and sell nothing. Buy more of the investment.

QUESTION 34

34. How would you describe your future income sources (such as salary, Social Security, pension plans, etc.)?

- Very unstable Unstable Somewhat stable Stable Very stable

QUESTION 35

35. When it comes to investing in stock or bond mutual funds (or individual stocks or bonds), how would you describe yourself?

- Very inexperienced investor Somewhat inexperienced investor Somewhat experienced investor
 Experienced investor Very experienced investor