

**PROHIBITED TRANSACTION EXEMPTION 84-24**  
**DISCLOSURE STATEMENT**  
(only for use prior to January 1, 2018)

**Background**

This Disclosure Statement is being provided to you (“Client”) because your advisor (“Advisor”) has recommended to you the purchase of an annuity or life insurance contract (“Contract”) with funds from an individual retirement account (“IRA”) or a retirement plan (“Plan”) subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This Disclosure Statement provides important information for you to consider in determining whether to purchase the recommended Contract with assets of the IRA or Plan. This information is also intended to satisfy the requirements and conditions of U.S. Department of Labor Prohibited Transaction Exemption 84-24.

The recommended Contract is: \_\_\_\_\_

The insurance company issuing the Contract is: \_\_\_\_\_

**Required Disclosures Pursuant to PTE 84-24**

*Best Interest Standard* – At the time of the recommendation, your Advisor’s advice to you is believed by the Advisor to be in your “best interest.” This means that the Advisor’s advice reflects the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on your investment objectives, risk tolerance, financial circumstances and needs of the IRA or Plan, without regard to the financial or other interests of the Advisor, any affiliate or other party.

*Fees & Charges* – Any charges or fees which may be imposed under the recommended Contract, including any surrender charges or rider fees, in connection with the purchase, holding, exchange, termination, or sale have been disclosed to you in product brochures or other materials produced by the insurance company issuing the Contract, and you acknowledge that you have received such brochures and materials.

*Reasonable Compensation* – If the recommended Contract is purchased with assets of the IRA or Plan, the insurance company will pay the Advisor a commission as follows:

\_\_\_\_\_ % of the gross annual premium payment for the first year of the Contract; and

\_\_\_\_\_ % of the gross annual premium payments for \_\_\_ years after the first year of the Contract.

*Advisor Affiliations & Limitations* – Your Advisor may only sell the products of those insurance companies that have appointed your Advisor as an insurance producer. In addition, your Advisor may not be licensed to sell securities products. These factors limit the ability of your Advisor to recommend certain products to you.

*Material Conflicts of Interest* – Your Advisor has financial interests in the transaction recommended, which could affect his or her best judgment as a fiduciary when recommending the transaction to you.

The following are potential Material Conflicts of Interest your Advisor may have in providing investment advice:

Receipt of Commission: Insurance companies may pay your Advisor a commission at the time you pay a premium to establish an annuity or life insurance contract, and may also pay commissions at the time of any subsequent renewal or additional deposits made to the contract.

Receipt of Other Incentives: Insurance companies, wholesalers, or distributors may offer your Advisor financial incentives, including, but not limited to: gifts, meals, or entertainment of reasonable value; reimbursement for training, marketing, educational efforts, advertising, or travel expenses to insurance company- sponsored conferences or events; or participation in profit sharing plans or bonus programs.

Rollover Recommendations: In the case of a recommended rollover of assets of the IRA or Plan, your Advisor may have a conflict of interest in recommending that you roll over assets of an employer-sponsored retirement plan or IRA to another IRA, because your Advisor may earn a commission if you roll over your assets, but would not earn a commission if you do not do so.

Product Recommendations: Recommending an annuity or life insurance contract may be present a conflict of interest because the commissions paid on such contracts are generally higher than those paid in connection with general securities or other non-insurance products.

In addition to the Material Conflicts of Interest listed above, your Advisor also has the following conflicts of interest:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

### **Representations of Client**

By signing below, as the Client, you acknowledge your receipt of this Disclosure Statement and your approval of the recommended transaction. Further, you represent and acknowledge the following:

- You are the IRA owner or a fiduciary of the Plan, as applicable;
- You are not an insurance agent or broker, pension consultant, or insurance company, or an affiliate of any of the foregoing, involved in the transaction; and
- If the recommended transaction involves a Plan of which you are a fiduciary, you will not receive, directly or indirectly (*e.g.*, through any affiliate), any compensation or other consideration for your own personal account from any party dealing with the Plan in connection with the transaction.

*(For purposes of the foregoing, "affiliate" of a person means: (1) Any person directly or indirectly controlling, controlled by, or under common control with the person; (2) Any officer, director, employee (including any registered representative in the case of a principal underwriter), or relative of any such person, or any partner in such person; or (3) Any corporation or partnership of which the person is an officer, director, or employee, or in which the person is a partner)*

**Advisor Acknowledgement of Disclosure**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Advisor

**Acknowledgement by Client of Disclosure/Representations and Approval of Transaction**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Client