

Annuity owner initial

# Supplemental Disclosure for Annuities

## For Clients of Independent Agents & insurance solution by FTM Financial Services

I understand that the product I am applying for is an Annuity contract through an independent insurance agent with FTM financial services  
I will read all sales materials and disclosures presented to me so that I can understand the conditions and limitations of the Annuity Contract  
I am purchasing. **My agent has reviewed each of these very important items with me and I acknowledge:**

- m.s 1. I am purchasing an Annuity contract. The payments I make are premiums for an Annuity contract. I am not investing directly directly into the stock market or purchasing securities. I am not purchasing a Certificate of Deposit ("CD") creating a "savings plan", or creating any other type of bank obligation. An Annuity is not issued by or insured by the federal government. An Annuity is not "risk free" or "100% safe". None of these statements have been made to me by the Independent Agent in order to convince me to purchase it
- m.s 2. If my annuity is purchased using funds in a qualified plan under the Federal Tax Code (such as funds within a 401(k) or IRA account), withdrawals made prior to the age of 59 1/2 are generally subject to a 10% early withdrawal penalty imposed by the IRS. I understand that I should consult a tax professional if I am unsure about early withdrawal penalties or any other tax consequences.
- m.s 3. There are Surrender Penalties, Withdrawal Limits, and other conditions attached to my Annuity Contract. Each Annuity contract will have what are known as "Surrender Penalties" if monies are taken out during the surrender period specified in the Annuity contract. There may also be limits on the amounts I can withdraw without penalties. Other limits, conditions, effects and charges may vary by product and Insurance Company and I understand it is my responsibility to read all sales literature and disclosures and understand these materials.
- m.s 4. There are charges and expenses in Annuity contracts: An Annuity will have certain charges and expenses as described in the sales literature and contract which may be considered "fees". The insurance company may discretionarily charge these fees at any time. Participation rates, asset fees, cap rates, and surrender charges may be considered the fees.
- m.s 5. Caps and participation rates can affect the interest credited to my policy. If applicable there may be limits to the amount of interest that my policy can be credited during each crediting period. Also, there may also be a participation rate that determines how much of the increase in an index will be used to calculate index-linked crediting. Caps and participation rates vary by insurance carrier and product and may change over time.
- m.s 6. An independent agent can generally offer annuities and insurance products from multiple companies but cannot present me with every product available on the market, as there are many different insurance companies and products. Among the products I have been presented I believe the Annuity product I am purchasing best fits my needs and objectives.
- m.s 7. There is a "Free Look Period": After I receive my contract, there is a period of time (depending on state law) during which I may cancel my policy for a refund of any premiums I have paid (the "Free Look Period"). Any cancellation after this time may be considered full surrender and will be subject to any applicable fees or charges.
- m.s 8. Neither the Agency nor its affiliate companies authorize their independent agents, employees, or any other representatives to give legal tax or accounting advice. I have been advised to consult with my own legal or tax professionals to determine the tax or legal consequences of my specific situation.
- m.s 9. I understand what it means to "replace" an existing policy or contract: In completing my application for the annuity contract, the independent agent asked me if I intend to use an existing policy or contract to purchase this annuity. A "replacement" occurs when I am going to surrender, end, cancel, change, reissue, renege, withdraw from, or borrow against an existing insurance or annuity policy to purchase a new policy or contract.
  - If this is a replacement, I have considered:
    - a) any withdrawal or surrender charges or penalties I may have to pay on the existing contract or policy;
    - b) the possibility of new surrender charges or penalties that could apply for several years under a new annuity contract;
    - c) any other fees, expenses, charges, and features of both contracts;
    - d) any tax consequences arising from this transaction.
  - If this is a replacement, I have reviewed my existing policy or contract and determined that a replacement best suits my needs and objectives.
- m.s 10. Annuities are designed for individuals with LONG-TERM financial objectives. I have reviewed my needs and financial objectives with the independent agent. I have determined that the Annuity I am purchasing is affordable and is the best fit for my needs and objective

Signature *Annuity owner signature*  
**Signature of Proposed Annuity owner**

*Date has to be same as application date*  
Date : \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

Print name *Annuity owner full name as show on id*  
**Print Name of Person Signing Above**

Print name *Annuitant name if different from Annuity owner*  
**Print Name of Proposed Annuitant (if different from owner)**

Agent: I have reviewed each of these items with the applicant	
<i>signature of writing agent</i>	<i>Agent code</i>
Writing Agent Signature	Agent Code #