National Life Group®

Experience Life®

Suitability - Tips

Always keep the applicants' needs first and offer the product that best matches their objective. Don't try to sell all of your applicants the same products, concepts, riders, etc. Each applicant should be considered individually and offered an appropriate solution for their needs.

Clearly document the reasons behind your product recommendations for each applicant. If the transaction involves replacement of another annuity or life insurance product provide clear replacement reasons that are product related.

Be sure the applicant understands both the advantages and the disadvantages (withdrawal charges, fees, lost benefits, etc.) of any replacement.

An incomplete suitability form will delay processing. Be sure all questions are answered completely and accurately on the suitability form and annuity application. Applications that don't meet our standards for suitability will have a full enhanced suitability review.

If revisions or clarifications of suitability information are made, an applicant's signature may be required.

If Enhanced Review is required –

- A full suitability review will occur within 24 – 48 hours.
- All applications for individuals age 65 and older will automatically be flagged and receive an enhanced suitability review.
- Additional applications will be randomly chosen for enhanced suitability review.
- Other applications may be reviewed depending on the answers or combination of answers provided on the suitability form.
- The application can then be approved or if additional road blocks occur – declined.

When listing liquid net worth it refers to assets that can readily be converted to cash equivalent without loss of value. The premium for this policy should not be included in these assets if liquid.

Know your source of premium.

If you have questions about how to complete the annuity suitability form, call the Annuity Sales Desk at 800-906-3310.

Road Blocks

If the withdrawal charge on the policy being exchanged is greater than 3%, and additional benefits in the new product are not sufficient to justify the charge, Interest bonus cannot be used as an offset to surrender charges.

Answers on the form suggest that the product does not meet the applicant's financial needs and objectives.

The applicant requires a withdrawal in the first policy year, or more than 10% of the account value during the withdrawal charge period.

The applicant's investment objective for this product is aggressive.

The applicant has a history of exchanging annuities within a few years of purchase.

The transaction will replace an indexed annuity that is close to its annual interest crediting date.

If the objective is to "gain higher rates or caps than existing product(s)" and existing product(s) is already earning competitive rates (equal to or higher).

Road Blocks are situations that may lead to your case being declined.

National Life Group®is a trade name of National Life Insurance Company, Montpelier, VT, Life Insurance Company of the Southwest (LSW), Addison, TX and their affiliates.