

To help you make suitable recommendations, Athene Annuity and Life Company (the “Company” or “Athene”) is providing the following information about Athene’s suitability review process. The suitability program was put in place to benefit both you and the consumer and the following guidelines are designed to identify and discourage inappropriate sales and replacements in order to help you meet regulatory requirements.

This document includes specific scenarios you may encounter when collecting information to make a suitability determination and is intended to help you understand Athene’s guidelines if you are considering recommending an Athene annuity. The guidelines are not all inclusive and are subject to change. Adherence to the guidelines does not guarantee Athene will determine the purchase of an annuity or replacement of a life insurance policy or annuity suitable for the consumer.

Company Position:

Athene is committed to meeting the needs of its customers through suitable annuity sales. All recommendations for the purchase of an annuity, or the exchange of an annuity or life insurance product, should be suitable for the consumer based on information known by the producer at the time the recommendation is made. Prior to making a recommendation, the producer must obtain relevant information from the consumers regarding their insurance needs and financial objectives. When giving a recommendation you should also remind the consumer to discuss their annuity purchase with their tax advisor or legal professional.

For additional information about Athene’s suitability policies, please see “Athene’s Position on Annuity Suitability” (form 52266).

Suitability Review Process:

The objective of Athene’s Suitability Review Team (SRT) is to review applications to ensure appropriate documentation exists to support the recommended sale. The Athene suitability review process is designed for compliance with state regulations by documenting the producer’s reasonable basis for making the recommendation.

Scenarios Requiring Additional Information:

You can aid Athene’s suitability review by submitting an individualized cover letter with the application explaining your recommendation. While submitting a cover letter does not guarantee that Athene will approve suitability, it can provide additional detail and documentation of your recommendation. Examples of situations that may warrant additional information include, but are not limited to:

- The funds to purchase the new annuity, plus the total value of all other existing Athene annuities and non-Athene annuities, represents more than 50% of the consumer(s)’ household net worth.
- The consumer has less than \$500 of disposable monthly income.
- The consumer is currently unemployed or disabled.
- The benefit to the consumer to transfer their assets from another financial institution to Athene is unclear or may appear inconsistent based on the information provided or the Athene product selected.
- Replacements of an annuity with an Athene annuity with a net surrender loss after any applicable Athene premium bonus.
- The reason(s) for the annuity purchase may appear inconsistent with the death benefit rider, lifetime income rider and/or liquidity rider included with or being added to the annuity product.
- “Better growth potential” or “Better rates” is identified as the only reason for replacement but no supporting information such as the interest rate, cap or participation rates for the existing annuity and proposed Athene annuity is provided. For fixed indexed annuity replacements, Athene requires a complete comparison of all strategies and rates for both the contract being replaced and the proposed contract. This helps us document the rationale for the replacement and reflects how the consumer will have better growth potential or rates with the Athene contract.

Suitability Guidelines for Producers



- The consumer is purchasing an Athene annuity without an income rider to replace an annuity that provides a guaranteed income payout (an annuity with a lifetime income rider or a two-tiered annuity contract). If the difference between the surrender value, after any applicable Athene premium bonus, and the current income account value/benefit base value is higher than the guidelines below, Athene requires an acknowledgment as detailed below in "Consumer Acknowledgement."
 - » Consumer(s) Age 69 and under: difference of 20%;
 - » Consumer(s) Age 70-74: difference of 15%; or
 - » Consumer(s) Age 75 and above: any income rider value or two-tiered value being forfeited.
- The use of the word "uncapped" as a recommendation rationale, without additional disclosures of any limitations. Please read [Bulletin 14-02](#) from the Iowa Insurance Division for details.
- An Athene annuity does not provide Long Term Care (LTC) insurance nor is it a substitute for such coverage. Therefore, an LTC benefit is not an acceptable reason to purchase an Athene annuity.
- Internal replacement of an Athene annuity with a new Athene annuity.
- The consumer is replacing an annuity with a higher death benefit or death benefit rider value than the death benefit provided by the Athene annuity. Please note that Income Base Bonuses and Benefit Base Bonuses cannot be used to offset death benefit loss.

Please note: If needed, Athene may contact you during the suitability review to request additional information and/or form corrections from either yourself and/or the consumer.

Consumer Acknowledgement:

Athene may require additional acknowledgement from consumer(s) in certain scenarios. Acknowledgements should be in the form of either a) a phone call made by the consumer over a recorded line, or b) a separate letter written, signed and dated by the consumer. Acknowledgment calls and letters must be made or written by the consumer, not by you as the producer. Please note that submission of an acknowledgement does not ensure Athene will approve suitability. In order to have appropriate documentation, certain scenarios may require additional acknowledgement from consumer(s). These scenarios include, but are not limited to:

- Replacement of an annuity with an income rider, or a two-tiered annuity that provides an income payout, with an Athene annuity without an income rider. If the income account value/benefit base value forfeited exceeds the guidelines described above in "Scenarios Requiring Additional Information," the consumer(s)' letter must contain:
 - » Acknowledgement of the income rider being forfeited;
 - » How the Athene product's design or options (death benefit, strategy options, charge/fee structure, etc.) will better meet the consumer(s)' current or future needs and objectives; and
 - » A detailed explanation as to what has changed since the current income rider was purchased that the income provided by it is no longer needed or wanted.
- Replacement of a life insurance policy with an Athene annuity. The consumer(s)' letter must contain:
 - » Acknowledgement of the death benefit being forfeited;
 - » How the Athene product's design or options (death benefit, lifetime income rider, strategy options, charge/fee structure, etc.) will better meet the consumer(s)' current or future needs and objectives;
 - » A detailed explanation as to what has changed since the life insurance policy was purchased so that the consumer no longer needs or wants the death benefit provided by such policy; and
 - » A statement as to whether the consumer(s) will have any other life insurance remaining after this replacement and the aggregate value of such remaining insurance.

Consumer Contact:

You and the consumer(s) should be aware that Athene may contact the consumer(s) by phone as part of our suitability review. Athene routinely calls all consumers age 75 and above, all consumers applying for an internal replacement and all New York consumers in a non-resident sale (a New York resident who signs an application in a state other than New York). Additionally, Athene reserves the right to contact any consumer directly as part of its suitability review.

For additional information regarding consumer contact, please see [form 21841](#).

Suitability Guidelines for Producers



Suitability Declines:

There are situations where Athene will decline to issue a contract because the contract is deemed to be unsuitable. Examples of those situations may include, but are not limited to:

- Annuities that are funded with funds from a reverse mortgage or mortgage related transaction.
- Solicitation of an annuity in states that expressly prohibit their residents from purchasing such products outside their state of residence, regardless of the circumstances. Athene does not allow such sales to residents of the following states: **Arkansas, Massachusetts, Minnesota, Mississippi, Utah, Washington and Wisconsin**. Non resident prohibitions vary for Arkansas and Mississippi residents. Please review the Non-Resident Information Sheet ([form 16257](#)) for additional information on Athene's rules for these sales.
- Solicitation of an annuity outside of New York when the consumer is a resident of New York and the producer has a resident license in New York.
- Replacements of an annuity with an Athene annuity where the net surrender loss, after any applicable Athene premium bonus, exceeds 2%. If replacing a variable annuity, Athene may request a fee comparison from the consumer in order to document any annual fees the consumer may save as part of the replacement. Please remember Income Base Bonuses and Benefit Base Bonuses cannot be used to offset surrender loss.
- Replacements that would result in any net surrender loss, after any applicable Athene premium bonus, in the states of **California and Minnesota**.
- Replacements of an income rider product with an Athene income rider product where the income guaranteed by the Athene product is less than what the product being replaced would guarantee at the time the consumer(s) anticipates starting income.
- Replacements of annuities with high death benefit and/or death benefit rider values.
 - » If the difference between the surrender value, after any applicable Athene premium bonus, and the death benefit value/death benefit rider value is higher than the guidelines below:
 - Consumer(s) Age 69 and under: difference of 10%;
 - Consumer(s) Age 70-74: difference of 5%; or
 - Consumer(s) Age 75 and above: difference of 3%
 - » For replacements where Athene will provide a higher guaranteed income payout, Athene will provide an income rider that is not currently available to the consumer or where a variable annuity is being replaced for principal protection, the difference between the surrender value, after any applicable Athene premium bonus, and the death benefit value/death benefit rider value is higher than the guidelines below:
 - Consumer(s) Age 69 and under: difference of 20%;
 - Consumer(s) Age 70-74: difference of 15%; or
 - Consumer(s) Age 75-79: difference of 10%; or
 - Consumer(s) Age 80 and above: difference of 3%
- Replacements of annuities with a 4% or higher guaranteed fixed rate or current fixed rate.
- A consumer under the age of 59.5 that has less than three months of expenses covered by liquid assets.
 - » Liquid assets cannot include any qualified assets.
 - » Allowable liquid assets include checking/savings, stocks/bonds, mutual funds, certificates of deposit and money markets.
- A consumer that is age 59.5 or above that has less than six months of expenses covered by liquid assets.
 - » In addition to the allowed liquid assets listed above, consumers age 59.5 or above may include qualified assets, annuities out of the surrender period, free withdrawals and pension/401k funds (if the consumer is separated from service) as part of their liquid assets.
- A lack of information to support the sales recommendation.
- Contact with the consumer(s) indicates a general lack of awareness about the sales transaction including the benefits/features of the annuity and/or any conditions, limitations, or restrictions on receiving funds from the Athene annuity.

- Inconsistent information from the producer, consumer(s) and/or the documentation submitted.
- Replacement of an annuity issued within the previous 24 months. This includes penalty-free withdrawals. Additional documentation may be required supporting the replacement.
- Purchasing an Athene annuity in order to attempt to qualify for means-tested government benefits in **California**.

Summary:

Athene's suitability program is designed to benefit consumers and help producers meet and/or exceed regulatory requirements. It is required that every recommendation you make to purchase or exchange an Athene annuity product be suitable for the consumer. A decision to recommend an annuity should be based on a careful analysis of the information gathered from the consumer. By making sure consumers understand the features, benefits, risks, costs and fees associated with the annuity, you can help ensure consumer satisfaction and compliance with regulatory requirements.

Questions

The Athene Sales Desk is happy to discuss the suitability of a potential sale with you. While we cannot make a suitability determination over the phone, we can discuss the case and let you know of any questions or concerns we may have based on the information you share. Simply call the Sales Desk at 888-ANNUITY (266-8489) during normal business hours or visit [Athene Connect](#), our producer website.



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