American Century Life Insurance Company

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1333 W. McDermott Dr. #200, Allen, TX 75013

Suitability Guidelines

Company Policy

American Century's approach and commitment is to meet the need of our clients by providing them appropriate insurance products.

Recommendations to clients for the purchase of any of the company products, whether a completely new purchase or a replacement of existing American Century or another insurer products, should be appropriate to the client considering their overall financial position, needs, and objective.

Therefore, prior to making a recommendation to a client the product must obtain relevant information from the client about their financial position, insurance needs, and objectives. When providing a client such recommendation you should also remind the client to discuss their annuity purchase with their tax advisor or legal professional.

Suitability Guidelines:

While each client's situation is unique and different, below are general guidelines regarding the client's financial condition and whether the recommended product (including amount, duration, withdrawal options, and similar attributes) should be recommended to the client.

There are minimum guidelines applications should meet, but there are only threshold criteria, and the recommended purchase should be based on the overall situation of the client, not only on meeting these minimum requirements.

The items below are examples, but are not limited to, situations in which we will decline to issue a policy to the client:

- The client's needs & objectives shown on the suitability forms are not met be the product recommended to the client. The client's needs should not be revised to fit the product recommended on the application.
- Contracts that are funded with funds from a reverse mortgage or mortgage related transaction.
- Replacements of an annuity with an American Century annuity where the net surrender loss, after any applicable American Century premium bonus, exceeds 2% of the premium amount.
- The client has less than $500 disposable monthly income and has less than twelve months of income covered by liquid assets.
- The client is currently unemployed and does not have a spouse (or domestic partner, if applicable under state law) with monthly income sufficient to cover all household monthly expenses, excluding any unemployment income.

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- The client insufficient liquid assets defined as 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, non-qualified mutual funds, non-qualified certificates of deposit and non-qualified money markets.
- A lack of information to support the sales recommendation.
- You communication with the clients indicates general lack of awareness about the proposed product and transactions including the benefits& features of the annuity and/or conditions, limitations, or restrictions on receiving funds from the American Century Life Insurance Company annuity. In addition, their financial information, financial situation, future needs and/or objectives were not discussed with the writing producer prior to completing the application.
- Exceeding the company premium to net worth guidelines:
  - For client with a net worth of $100,000 or under, the recommended annuity should not result in the client having more than 50% of their net worth in annuities.
  - For client with a net worth above $100,000, the recommended annuity should not result in the client having more than 70% of their net worth in annuities.
- Inconsistent information from the producer, consumer(s) and/or the documentation submitted.
- Replacement of an annuity issued within the previous 24 months, including penalty free withdrawals or if the annuity has not yet reached its first crediting anniversary, whichever is longer.
- American Century annuities do 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 American Century Life Insurance Company annuity. Any reference to LTC will require producer and/or customer corrections to the Suitability/Best Interest Worksheet.
- FL specific guidelines
  - Income does not cover all household living expenses including medical expenses.
  - Household income is not sufficient to cover future changes in household living and/or out-of-pocket medical expenses during the surrender charge period.
  - The client or the client’s household does not have emergency funds for unexpected expenses.
  - The client refused to provide or provided limited information at the time of solicitation.
  - The annuity purchase is not based on the recommendation of the agent or the insurer.

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Summary:

The above guidelines are designed to benefit clients and help producers meet and/or exceed regulatory requirements. It is required that every recommendation you make to purchase or exchange an American Century annuity product be appropriate for the client and these standards. A decision to recommend an annuity should be based on a careful analysis of the information gathered from the consumer. By making sure clients understand the features, benefits, risks, costs and fees associated with the annuity, you can help ensure consumer satisfaction and compliance with regulatory requirements.

If you have any questions or are not sure whether a recommended annuity is appropriate for the clients, please contact us prior to making a recommendation.