

**DEPARTMENT OF FINANCIAL SERVICES OF THE STATE OF NEW YORK
LICONY Appendix 10B - DISCLOSURE STATEMENT (Annuity-to-Annuity Replacement Only)**

IMPORTANT - IT MAY NOT BE IN YOUR BEST INTEREST TO SURRENDER, LAPSE, CHANGE OR BORROW FROM EXISTING ANNUITY CONTRACTS IN CONNECTION WITH THE PURCHASE OF A NEW ANNUITY CONTRACT, WHETHER ISSUED BY THE SAME OR A DIFFERENT INSURANCE COMPANY.

- THIS DISCLOSURE STATEMENT IS REQUIRED TO BE PROVIDED TO YOU BY NO LATER THAN THE TIME OF DELIVERY OF THE NEW ANNUITY CONTRACT. PLEASE REVIEW THIS DOCUMENT CAREFULLY, AS IT CONTAINS IMPORTANT INFORMATION COMPARING YOUR EXISTING CONTRACT TO THE NEW CONTRACT.
- PLEASE CONTACT THE COMPANY, AGENT OR BROKER IF YOU HAVE ANY QUESTIONS.
- **IMPORTANT 60 DAY REFUND PERIOD:**
WITHIN 60 DAYS FROM THE DATE OF DELIVERY OF YOUR NEW ANNUITY CONTRACT, YOU HAVE THE RIGHT TO RETURN IT AND RECEIVE A REFUND IF YOU ARE NOT SATISFIED WITH THE NEW CONTRACT.

Name of Applicant(s)			Telephone Number	
Address		City	State	Zip
Agent or Broker Name			Telephone Number	
Company Name	Address	City	State	Zip

FOR YOUR PROTECTION, the Department of Financial Services of the State of New York requires that you be given the *IMPORTANT Notice Regarding Replacement or Change of Life Insurance Policies or Annuity Contracts* and the *Definition of Replacement* forms at the time you apply for your coverage. This *Disclosure Statement*, which contains information on all proposed and existing coverage affected, may be provided to you at the time you apply for your coverage or at a later date, but no later than at the time of contract delivery. The information on existing coverage on this form was obtained from:

The following replaced company(ies):

Approximations, if the following replaced company(ies) failed to provide information in the prescribed time:

<u>Additional Information</u>	
<u>IRS Plan Type (Check Box)</u>	
<input type="checkbox"/> Qualified <input type="checkbox"/> Non-Qualified	<input type="checkbox"/> _____ <input type="checkbox"/> _____

2. SUMMARY RESULT COMPARISONⁱⁱ

THE PROPOSED ANNUITY				
1. Surrender Value to be Invested: \$				
If Fixed Annuity		If Variable Annuity ^{iv} Hypothetical Rates of Return		
@ Guaranteed Rate	@ Current Rate ^v	@0%	@6%	@12%
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$

If Fixed Annuity		If Variable Annuity ^{iv} Hypothetical Rates of Return		
@ Guaranteed Rate	@ Current Rate ^v	@0%	@6%	@12%
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$

Surrender Value

In 1 Year

In 3 Years

In 5 Years

In 10 Years

Death Benefit

In 1 Year

In 3 Years

In 5 Years

In 10 Years

IF YOU CONTINUE YOUR EXISTING ANNUITY(IES)ⁱⁱⁱ				
2. Current Value: \$				
If Fixed Annuity		If Variable Annuity ^{iv} Hypothetical Rates of Return		
@ Guaranteed Rate	@ Current Rate ^v	@0%	@6%	@12%
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$

If Fixed Annuity		If Variable Annuity ^{iv} Hypothetical Rates of Return		
@ Guaranteed Rate	@ Current Rate ^v	@0%	@6%	@12%
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$
\$	\$	\$	\$	\$

ADDITIONAL PAGES:

Page 3a (GUARANTEED LIVING BENEFIT)

Page 3b (GUARANTEED INCOME REPLACEMENT COMPARISON)

ⁱⁱ Calculations for both current and proposed policies are based on current values and do not include possible future additional deposits and withdrawals.

ⁱⁱⁱ If more than one policy is being replaced, the figures shown reflect the aggregate total of the values for policies currently in force on the dates shown on page 2 of this Statement.

^{iv} Note that the annual investment rates need to be reduced by management and other fund expenses and separate account asset-based and other contractual charges (other than surrender charge).

^v Since the fixed rate declared is subject to change at any time, the rate actually declared in effect on the date of issue may differ from the current rate indicated above, and the return received on the investment may differ from our current rate.

***** ONLY COMPLETE AND INCLUDE THIS PAGE, IF GUARANTEED LIVING BENEFITS (GLBs) ARE APPLICABLE *****

Glossary of Terms

Types of Guaranteed Living Benefits (GLB):

GMAB – Guaranteed Minimum Accumulation Benefit – a minimum account value guarantee, which ensures that, regardless of investment performance, the account value will never be less than the accumulation amount (which may equal the premium paid or the premium paid plus an additional amount) as of key dates/durations. Any existing guarantees are forfeited if the contract is replaced.

GMIB – Guaranteed Minimum Income Benefit – an income benefit, which guarantees a periodic income amount based upon a benefit base that is separate from the contract's account value on specific key dates/durations. When the annuity owner annuitizes the contract, the income received will be calculated based upon, for example, the greater of the account value of the annuity applied to the contractual payout rates or the value of the benefit base applied to specific payout rates designated for this benefit once the benefit reaches these specific key dates/durations. The benefit base may be increased by roll-ups or step-ups and decreased by any excess withdrawals, if applicable. Any existing guarantees are forfeited if the contract is replaced

GWB – Guaranteed Withdrawal Benefit – a withdrawal benefit, which allows the contract holder to withdraw up to a fixed percentage of a guaranteed amount (the benefit base, which may equal the total annuity premiums) each year regardless of investment performance. Withdrawals are guaranteed until the guaranteed amount is recovered by the contract holder. The guaranteed amount may be increased by roll-ups or step-ups and decreased by any excess withdrawals, if applicable. This benefit may not be available for annuitization. Any existing guarantees are forfeited if the contract is replaced

GLWB – Guaranteed Lifetime Withdrawal Benefit – a withdrawal benefit, which allows the contract holder to withdraw up to a fixed percentage of a guaranteed amount each year regardless of investment performance. The guaranteed amount may be increased by roll-ups or step-ups and decreased by any excess withdrawals, if applicable. This benefit may not be available for annuitization; however, income is guaranteed for life, subject to certain conditions. Any existing guarantees are forfeited if the contract is replaced

	<u>Proposed Annuity Contract</u>	<u>Existing Annuity Contracts Affected</u>		
		(1)	(2)	(3)
GMAB Value	\$	\$	\$	\$
GMAB Vesting Date				
GLB Type (e.g. GMIB, GWB, GLWB)				
GLB Payout Amount	\$	\$	\$	\$
		Calculation Date:	Calculation Date:	Calculation Date:
GLB Frequency/Payout Type				
GLB Guaranteed Payments	\$	\$	\$	\$
GLB Eligible Start Date				

GLB Remarks: _____

***** ONLY COMPLETE AND INCLUDE THIS PAGE IF A DEFERRED ANNUITY TO IMMEDIATE ANNUITY REPLACEMENT *****

***** USE BETTERMENT OF RATES[^] PROVISION FOR EXISTING ANNUITY CONTRACTS AFFECTED *****

Glossary of Terms

Types of Benefit Features:

Step-Up Payments – This benefit feature allows the client to receive income payments that increase at a pre-determined percentage. The increases usually happen on an annual basis. Payments that include this benefit feature may start below a similar annuity that does not include this benefit feature.

Liquidity Feature – This benefit feature allows the client to receive a lump sum payment. The maximum amount available may either be the remaining guaranteed payments or all of the remaining payments, depending on the structure of the annuity and the details of the specific benefit feature.

Commutated Death Benefit – This benefit feature allows the beneficiary to receive a calculated value as a lump sum amount in lieu of the remaining guaranteed payments.

	<u>Proposed Annuity Contract</u>	<u>Existing Annuity Contracts Affected</u>		
		(1)	(2)	(3)
Payout Type/Income Option Selected				
Annuity Value	\$	\$	\$	\$
Annuity Payout Amount	\$	\$	\$	\$
Annuity Payout Frequency				
Step-Up Payments Available If yes, list percentage	<input type="checkbox"/> Yes <input type="checkbox"/> No %	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Liquidity Feature Available If yes, list type	<input type="checkbox"/> Yes <input type="checkbox"/> No Type:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Commutated Death Benefit Value Available	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are Partial Annuitizations available on the existing contract(s)?		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Deferred to Immediate Remarks:

[^] - Best available rate as required by Section 4223(a)(1)(E) of the New York Insurance Law

3. AGENT'S OR BROKER'S STATEMENT^{vi}

1. The primary reason(s) for recommending the new annuity contract is (are):

2. The existing annuity contract cannot meet the applicant's objectives because:

3. The advantages of continuing the existing annuity contract without changes are:

4. The surrender charge, if my client replaces his or her existing annuity contract, is _____% or \$_____

5. The new annuity my client is applying for imposes a new surrender charge as follows:
(Describe percentage rate of surrender charge for each year in which a surrender charge is imposed.)

Year: 1 2 3 4 5 6 7
 ___% ___% ___% ___% ___% ___% ___% ___% ___% ___% ___% ___%

Explain, if necessary^{vii}: _____

Remarks & Any Other Material Information (including additional riders not previously outlined):

^{vi} Contract benefits may include additional death benefits, available fixed account and guaranteed living benefits.

^{vii} Immediate annuities cannot be surrendered.

The Agent or Broker should select one of the following to indicate the sales material used in the sale.

- The attached sales material was used in this sale.
- The attached list of sales materials was used in this sale.
- No sales material, other than the attached proposal, was used in this sale.
- No sales material or proposal was used in this sale.

If sales material and/or a proposal was used in this sale, such material and/or proposal, or a list of such information used in the sale of the proposed annuity contract, must accompany the submission of this form to the replacing insurer. Copies of the sales materials, and any proposals, must also be given to the applicant.

If more than three existing annuity contracts are to be affected by this sale, Section 1 of this Disclosure Statement must be completed for any additional existing annuity contracts. If more than one new annuity contract is proposed, Section 1 of this Disclosure Statement must be completed for any additional proposed annuity contracts. In addition, a composite comparison of all existing annuity contracts to all proposed annuity contracts shall be completed.

I have personally completed this form and certify that it is correct to the best of my knowledge and ability.

Date: _____ Signature of Agent or Broker: _____

I hereby acknowledge that I received and read the above Disclosure Statement.^{viii}

Date: _____ Signature Applicant: _____

Date: _____ Signature Applicant: _____

^{viii} Applicant acknowledgement may be included or omitted at the replacing insurer's option.