Allianz

Allianz Life Insurance Company of North America

Allianz Preferred℠
AFMO Handbook

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SECTION 1:

Preferred agent qualification requirements

To be considered for Allianz Preferred℠, producers are required to meet any one of the following criteria.

Consideration criteria
$500,000 of Allianz annuity production, $50,000 in Allianz target life insurance production, or equivalent combination issued in a calendar year in any one of last five years or any two of the last 10 years, or
Registered representative (Series 6 or 7) active with a broker/ dealer verified through FINRA BrokerCheck, or
Investment advisor representative (Series 65 or 66) active with a registered investment advisor verified through SEC public disclosure, or
$50,000 in commissions for any insurance business (e.g., life insurance, annuity, P&C, medical, LTC) within the last year verified by carrier 1099s, MDRT statements, or commission statements in the producer's name, or
$500,000 of industry fixed index annuity and/or fixed annuity premium within the last year, evidenced by MDRT statements or carrier-substantiated production in the producer's name, or
One of the following active professional licenses or designations, verified by producing the active license/ designation documentation from the designating body: • CFA (Chartered Financial Analyst) • CFP (Certified Financial Planner) • ChFC (Chartered Financial Consultant) • CLU (Chartered Life Underwriter) • CPA (Certified Public Accountant) • RICP (Retirement Income Certified Professional) • LUTC/LUTCF (Life Underwriter Training Council Fellow)

If the producer conducts business as an agency, qualification will be verified by proof of their personal production (e.g., commission statements or production reports that show their personal business). Alternatively, the producer should supplement any documentation in the agency's name by providing a letter attesting that they are the sole producer for the agency and no other commissions are paid to the agency.

Preferred producers must have an executed Preferred contract prior to soliciting Allianz Preferred business from a consumer. Any business that is solicited from consumers prior to contract execution will be canceled by Allianz and will need to be resold by the producer.

Your Preferred AFMO Agreement allows for wholesaling only, and Preferred AFMO principals do not automatically receive a Preferred agent contract. To be able to sell Preferred products to consumers, principals must separately apply for, and receive, a Preferred agent contract.

SECTION 2:

Compensation guidelines

Preferred agent compensation rules

Please see the most recent version of the Preferred Compensation Guidelines (M1050-Pref) available on www.allianzlife.com for additional details.

Preferred AFMO and Broker/Dealer Master Contract compensation rules

No portion of your Preferred AFMO compensation may be paid to a broker/dealer under a Master Contract or to another Preferred AFMO in your hierarchy.

SECTION 3:

Producer programs

Allianz does not permit Preferred FMOs or Preferred AFMOs to pay cash to Preferred producers or Preferred AFMOs on Preferred business, whether in actual cash or cash equivalent form such as gift cards. However, we encourage Preferred FMOs and Preferred AFMOs to create and provide noncash value-add programs to their Preferred agents as long as the cash equivalent value of the program is not published or advertised in writing or verbally (other than inclusion in 1099s provided to those agents). (Please note: Any materials used to market the program will be subject to the advertising review guidelines outlined in section 4).

If a program will not include Preferred premium, you must disclose in promotional materials that Preferred premium is excluded. In those circumstances, if the promotional material includes an Allianz or Allianz Preferred logo, cites Allianz by name, or notes that other specific carriers or products are excluded, you must specifically disclose that Allianz Preferred premium is excluded. Otherwise, you may generally state that some products are excluded.

Marketing reimbursement/ profit-sharing/cash bonus programs

Allianz will allow Preferred AFMOs to include Preferred premium in the qualification thresholds for marketing reimbursement and other cash-based AFMO programs; however, cash payments or reimbursements would still be precluded on Preferred premium.

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Here's an example of an eligible and ineligible program:

- If $1,000,000 of annuity premium is needed to qualify for 25 basis points (bps) of marketing reimbursement, and an agent has $600,000 of Preferred premium, then that $600,000 of Preferred premium may be used along with other carrier premium to reach the $1,000,000 threshold. However, the 25 bps may not be paid to the agent on the $600,000 of Preferred premium.
- If $1,000,000 of annuity premium is needed to qualify for the award of a tangible item, Preferred premium may not be included in the qualification, as it is not possible to award only a portion of a tangible item to the producer.

All marketing materials are subject to the advertising review guidelines outlined in section 4.

Independent contractors

AFMOs and general agents (GA) have the authority to wholesale applicable Allianz products through the provisions of the contracts that each of those organizations/individuals have executed with Allianz. Within those organizations, that authority also extends to their employees.

However, certain AFMOs have engaged independent contractors (who are not contracted as AFMOs or GAs) to wholesale products through the AFMO's contracts with various carriers, including Allianz.

If your AFMO utilizes one or more independent contractors (ICs) to wholesale Allianz products on behalf of the AFMO, you must submit those ICs for our review and approval.

As we review these submissions, our guidelines would include, but not necessarily be limited to, the following:

- The IC must hold an active Preferred GA or agent contract with Allianz (this allows us to perform initial and ongoing background checks), or otherwise sign an authorization for Allianz to conduct the same background checks conducted for producers.
- All sales materials utilized by the IC must be in compliance with the Preferred advertising review guidelines.
- The IC cannot have a "brand" or a website that is separate or distinct from the AFMO.
- The IC's business cards, letterhead, and email must clearly indicate that the IC represents the AFMO.
- The AFMO must ensure that the IC adheres to all aspects of the AFMO's relationship with Allianz and Allianz Preferred.
- The IC may not work for more than one marketing organization for life insurance and annuity business.
- The IC cannot have contracts with other carriers (personal production allowed if incidental).

Note that if an organization does not meet the above criteria, it would need to be contracted as a Preferred AFMO in order to have authority to wholesale Allianz products.

If you wish to have an independent contractor wholesaler approved to wholesale Allianz Preferred products, please contact your Preferred FMO or Divisional Vice President.

SECTION 4:

Compliance and advertising review guidelines

Compliance and ad review

The past several years have brought increased scrutiny to the sales practices of annuity producers and marketing organizations throughout the country.

We expect Preferred AFMOs to drive quality sales and adhere to the requirements set forth in the Allianz Compliance Guide. This includes partnering with producers to promote reputable sales practices. This may include, but is not limited to, providing compliance education and sharing best practices as applicable. Allianz is here to support you in staying in compliance with the ever-changing regulatory environment, keeping in mind the interests of consumers, producers, and your organization.

Preferred FMOs and AFMOs are required to ensure all of their marketing, advertising, and program materials are in compliance with applicable insurance regulations. This includes, but is not limited to, producer training materials, website content, AFMO recruiting materials, fliers, mailers, lead generation materials, phone scripts, seminar invitations and presentations, brochures, mass emails, social media posts, and any other content designed to potentially solicit interest in an annuity product.

Preferred FMOs, AFMOs, and producers must use the following guidelines pertaining to advertising and sales materials review:

- Advertising and sales material that describes Allianz, an Allianz promotion, product, or services, etc., must be submitted for review and preapproval to Allianz Advertising Review.
- Follow other carriers' review requirements for advertising and sales material that describes the programs or products of another carrier.
- The AFMO is responsible for ensuring all its other advertising materials are in compliance with applicable insurance regulations.

Please refer to the Allianz Advertising Compliance Manual, which includes a full description of the advertising guidelines and the process for submitting Allianz promotional materials for review, as well as the Allianz Compliance Guide (M1055) for additional information. The Advertising Compliance Manual and the Compliance Guide (M1055) are on the Allianz producer website under the Forms and Materials tab, and then Compliance.

Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. www.allianzlife.com

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