

## Checklist for Completion Agency Appointment

Thank you for choosing to become a part of Clear Spring Life Marketing, LLC ("CSL Marketing"). CSL Marketing is here to support and help you grow your business with Clear Spring Life and Annuity Company. We are committed to providing you with the best possible service and advocating on your behalf.

Please fill out all required forms completely and legibly. To help with this, please use the following CHECKLIST FOR COMPLETION that lists all documents required to become appointed.

We will process your appointment upon receiving all completed paperwork and supporting documents as defined in our Business Guidelines.

### CHECKLIST FOR COMPLETION (Checklist must be submitted with contracting paperwork.)

#### PRODUCERS

Producer Name \_\_\_\_\_

##### PLEASE PROVIDE THE FOLLOWING

- ☐ Completed Checklist
- ☐ Personal Data Sheet
- ☐ Producer Agreement (Please return all pages.)
- ☐ Direct Deposit Authorization Form
- ☐ W-9
- ☐ Company Product Specific Training Course Certificate
- ☐ If Massachusetts, Appendix D – Certification of Compliance - Massachusetts Security Regulation – 201 CMR 17.00 from Business Guidelines herein

##### SUPPLEMENTAL DOCUMENTS TO PROVIDE

- ☐ Copy of E&O Certificate
- ☐ Copy of Resident State Insurance License
- ☐ Copy of Non-Resident Insurance Licenses  
(indicate non-resident states you will write business in) \_\_\_\_\_
- ☐ Copy of AML Certificate
- ☐ Copy of Business Guidelines Certification
- ☐ Product Training Course Certificate
- ☐ Annuity Training Course Certificate (if applicable)

#### INDEPENDENT MARKETING ORGANIZATION

IMO Name \_\_\_\_\_ IMO # \_\_\_\_\_

#### VERIFYING INFORMATION

- ☐ Please verify all information is complete and correct prior to submission.
- ☐ Appointment level \_\_\_\_\_
- ☐ Upline information \_\_\_\_\_
- ☐ Please submit appointment fees for agents writing business in non-resident states.

#### PROVIDE ADDRESS BELOW IF

- ☐ Licensed Only; or
- ☐ You do not want correspondence to go directly to the agent.

Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

#### SUBMIT THIS CHECKLIST AND OTHER DOCUMENTS VIA ONE OF THE FOLLOWING

Email AGENTLICENSING@CSLMARKETING.COM

Fax 317.574.6278

Mail CSL Marketing | PO Box 80509 | Indianapolis, IN 46280

## Personal Data Sheet

Clear Spring LIFE AND ANNUITY COMPANY ("Clear Spring LIFE") APPOINTMENT APPLICATION

### A. IDENTIFICATION

Agent Complete Name	Best Telephone Number	Email Address
---------------------	-----------------------	---------------

**\*\*Section Required Required Section**

### A. IDENTIFICATION

Business Name	Residential Address (NO P.O. BOX)
Business Address (NO P.O. BOX)	City State Zip
City State Zip	Date of Birth:
Business Telephone:	Gender: _____ Male _____ Female
Business Fax Number:	County of Residence:
County of Business:	Social Security Number:
Tax ID Number of Business:	Resident Phone Number:
Length of time at this location: _____ YRS	Length of time at this location: _____ YRS
Previous (If above less than 3 years):	Previous (If above less than 3 years):

**B. BUSINESS INFORMATION**

Business Information	Authorized to sign applications
Doing business as: (Please check one)	Complete Name _____ Tax ID _____
<input type="checkbox"/> Individual	
<input type="checkbox"/> Partnership	
<input type="checkbox"/> Limited Liability Company (LLC)	Complete Name _____ Tax ID _____
<input type="checkbox"/> Corporation	
<input type="checkbox"/> Other	Complete Name _____ Tax ID _____
Office Manager/Assistant	Name: _____

**C. LICENSE INFORMATION**
**LICENSE INFORMATION/NESS INFORMATION**

Please include copies of each license		Please indicate the license(s) you currently hold
National Producer Number		<input type="checkbox"/> Life Only <input type="checkbox"/> Life and Disability <input type="checkbox"/> FINRA
Resident State	Resident License Number	<input type="checkbox"/> Property and Casualty
	Expiration Date	
Non-Resident State	Non-Resident License Number	Have you ever had a license under another name?
	Expiration Date	<input type="checkbox"/> Yes <input type="checkbox"/> No
Non-Resident State	Non-Resident License Number	If yes, please indicate previous name
	Expiration Date	

☐ Please check here if you are attaching additional License information

☐ Please check here if attaching additional names.

Please list the companies you currently represent	
Company Name	Company Name
Company Name	Company Name
Company Name	Company Name



☐ Please check here if attaching additional companies.

*Please attach a separate sheet of paper if necessary, when answering the questions below.*

**Have you ever filed bankruptcy?**

☐ Yes ☐ No If yes, please explain:

**Have you been involved in any current or past litigation?**

☐ Yes ☐ No If yes, please explain:

**Have you ever received or do you anticipate receiving any disciplinary action from any insurance department; had a complaint filed, had any regulatory action taken against you; or participated in business related litigation?**

☐ Yes ☐ No If yes, please explain:

**Have you completed the training on Suitability and Annuity Sales required in your Resident State?**

☐ Yes ☐ No If yes, please indicate provider of training, completion date, and attach certification of completion

Provider of Training:

Date of Completion:

**Have you completed training on the Anti-Money Laundering Act?**

☐ Yes ☐ No If yes, please indicate provider of training, completion date, and attach certification of completion

Provider of Training:

Date of Completion:

**Errors & Omission Coverage**

Please indicate carrier, date of coverage, and attach certification

Carrier:

Date of Coverage:



**D. AGENT'S DECLARATION AND AUTHORIZATION**

Under penalty of perjury, I hereby certify that my answers to all these questions are true. I understand that this application will serve as an application to become contracted with Clear Spring Life and Clear Spring Life Marketing, LLC ("CSL Marketing") and the information is an accurate statement of fact. I further understand that if any material information given in this application is found to be incorrect or incomplete, it will be grounds for contract termination for cause at the sole discretion of Clear Spring Life or CSL Marketing.

I understand that as part of CSL Marketing's and Clear Spring Life's respective appointee selection and supervisory procedures, either or both may procure or cause to be prepared one or more consumer reports or investigative consumer reports (each a "Report") regarding me from a consumer reporting agency and/or investigative consumer reporting agency ("Reporting Agency"), including Vector One, in accordance with my written instruction (such written instruction to be deemed to be provided upon my signature below). Each Report may include information about my prior employment or military record, education, character, general reputation, personal characteristics, criminal record, creditworthiness and history, or mode of living. This information may have been obtained by the Reporting Agency through a variety of sources, such as public records, educational institutions, financial institutions, credit bureaus, and personal interviews with my current and former employers, friends, neighbors and associates. I authorize CSL Marketing and Clear Spring Life to release information about any debit balance I may incur to Vector One, its successors or any organization designated to replace Vector One.

CSL Marketing or Clear Spring Life may use the information contained in any Report to make decisions regarding my application for appointment or ongoing appointment with Clear Spring Life. CSL Marketing and Clear Spring Life reserve the right to investigate the information contained in any Report or in my application for appointment, or other background information about me that CSL Marketing or Clear Spring Life may obtain, by, including without limitation, verifying references, work history, my Social Security or tax ID number, education achievements, licensure, and certifications, and other information about me. If I am appointed by Clear Spring Life, CSL Marketing or Clear Spring Life may also procure subsequent Reports in accordance with my written instruction (such written instruction to be deemed to be provided upon my signature below), unless prohibited by state law or such authorization is revoked in writing.

I understand I have the right within a reasonable period of time after receiving notice of any investigation by CSL Marketing or Clear Spring Life of information contained in a Report to make a written request to CSL Marketing or Clear Spring Life, as applicable, to disclose the nature and scope of such investigation. Should the information contained in any Report have an adverse effect on Clear Spring Life's appointment decision, Clear Spring Life will notify me in writing and identify the reporting agency with which I may discuss the matter.

I understand I have certain rights under the federal Fair Credit Reporting Act ("FCRA") to know what information has been collected on me by Reporting Agencies and to dispute any related incomplete or inaccurate information. I understand that more information about my rights under the FCRA is, as of the date of this application, available at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) or by written request to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552. In addition, states may enforce the FCRA, and many states (including but not limited to California, Maine, New York, Oregon and Washington) have their own consumer reporting laws, which may provide more rights and protections than the FCRA. More information with respect to state law, if any, is available from such state's consumer protection agency or office of the Attorney General.

This disclosure and my authorization for CSL Marketing and Clear Spring Life to obtain Reports regarding me will be valid now and throughout the course of my affiliation with CSL Marketing or Clear Spring Life, if applicable, unless such authorization is revoked in writing.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Signature of IMO Principal \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_



## Licensed Only Appointment and Assignment of Commission Agreement

\_\_\_\_\_ ("Appointee") has been recommended for and does hereby request an appointment with Clear Spring Life and Annuity Company, in California d/b/a Clear Spring Life and Annuity Insurance Company ("Insurer"). This request is subject to the approval of Insurer and the following conditions:

1. Appointee submits to supervision by the agent of Insurer ("Assignee") identified below;
2. Appointee acknowledges that neither Clear Spring Life Marketing, LLC ("CSL Marketing") nor Insurer has any obligation to Appointee for commissions, expense allowances or any form of compensation whatsoever in connection with the services performed and expenses incurred in the solicitation of applications for annuity or life insurance contracts issued by Insurer. Appointee further acknowledges that it is under direct contract with Assignee and has agreed to assign any and all commissions for sales of Insurer's annuity or life insurance contracts to Assignee, who has agreed to compensate Appointee for his/her services;
3. Appointee acknowledges that he/she has no contractual relationship with CSL Marketing or Insurer, other than as set forth herein, and Appointee is not, and shall refrain from holding him/herself out as, an employee, partner, joint venturer or associate of either CSL Marketing or Insurer;
4. Appointee agrees to comply with the provisions of Assignee's Appointment Agreement (as defined below), any business guidelines or other written rules that Insurer or CSL Marketing may provide from time to time, and any federal or state law, regulation or agency rule applicable to Appointee's solicitation of Insurer's annuity or life insurance contracts.

### BACKGROUND CHECK DISCLOSURE AND AUTHORIZATION

As part of CSL Marketing's and Insurer's respective appointee selection and supervisory procedures, either or both may procure or cause to be prepared one or more consumer reports or investigative consumer reports (each a "Report") regarding LO from a consumer reporting agency and/or investigative consumer reporting agency ("Reporting Agency"), including Vector One, in accordance with LO's written instruction (such written instruction to be deemed to be provided upon LO's signature below). Each Report may include information about LO's prior employment or military record, education, character, general reputation, personal characteristics, criminal record, creditworthiness and history, or mode of living. This information may have been obtained by the Reporting Agency through a variety of sources, such as public records, educational institutions, financial institutions, credit bureaus, and personal interviews with LO's current and former employers, friends, neighbors and associates. LO authorizes CSL Marketing and Insurer to release information about any debit balance LO may incur to Vector One, its successors or any organization designated to replace Vector One.

CSL Marketing or Insurer may use the information contained in any Report to make decisions regarding LO's application for appointment or ongoing appointment with Insurer. CSL Marketing and Insurer reserve the right to investigate the information contained in any Report or in LO's application for appointment, or other background information about LO that CSL Marketing or Insurer may obtain, by, including without limitation, verifying references, work history, LO's Social Security or tax ID number, education achievements, licensure, and certifications, and other information about LO. If LO is appointed by Insurer, CSL Marketing or Insurer may also procure subsequent Reports in accordance with LO's written instruction (such written instruction to be deemed to be provided upon LO's signature below), unless prohibited by state law or such authorization is revoked in writing.

LO has the right within a reasonable period of time after receiving notice of any investigation by CSL Marketing or Insurer of information contained in a Report to make a written request to CSL Marketing or Insurer, as applicable, to disclose the nature and scope of such investigation. Should the information contained in any Report have an adverse effect on Insurer's appointment decision, Insurer will notify LO in writing and identify the reporting agency with which LO may discuss the matter.

LO has certain rights under the federal Fair Credit Reporting Act ("FCRA") to know what information has been collected on LO by Reporting Agencies and to dispute any related incomplete or inaccurate information. LO understands that more information about LO's rights under the FCRA is, as of the date of this application, available at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) or by written request to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552. In addition, states may enforce the FCRA, and many states (including but not limited to California, Maine, New York, Oregon and Washington) have their own consumer reporting laws, which may provide more rights and protections than the FCRA. More information with respect to state law, if any, is available from such state's consumer protection agency or office of the Attorney General.

This disclosure and LO's authorization for CSL Marketing and Insurer to obtain Reports regarding LO will be valid now and throughout the course of LO's affiliation with CSL Marketing or Insurer, if applicable, unless such authorization is revoked in writing.

**LICENSED ONLY APPOINTEE SIGNATURE**

Appointee agrees to the terms of this appointment and acknowledges receipt of a copy of the form of the agreement between Assignee, CSL Marketing and Insurer ("Assignee's Appointment Agreement") and a copy of Insurer's current business guidelines. Appointee authorizes CSL Marketing to make all payments of commission directly to Assignee as they become due and discharges all responsibility of CSL Marketing or Insurer as to such payments. Appointee hereby warrants that he/she remits and releases to Assignee all of his/her rights and interest in commissions pursuant to this agreement, subject to the conditions herein.

Signed: Appointee \_\_\_\_\_ Date \_\_\_\_\_

Printed Name of Appointee: \_\_\_\_\_ Tax Identification Number \_\_\_\_\_

**ASSIGNEE RECOMMENDATION**

I hereby recommend Appointee for appointment as an agent assigned to my supervision and subject to the terms of my agent agreement with Insurer and the terms of this appointment. I warrant that I accept the assignment of commissions by Appointee.

Signed Assignee \_\_\_\_\_ Date \_\_\_\_\_

Printed Name of Assignee: \_\_\_\_\_ Tax Identification Number \_\_\_\_\_



**INSURER APPOINTMENT APPROVAL**

Insurer approves the appointment of Appointee, subject to all provisions stated herein and consents to the assignment of all commissions.

Your Independent Selling Agent Writing Number is \_\_\_\_\_ Date Accepted for Appointment: \_\_\_\_\_

Insurer Officer Name and Title: \_\_\_\_\_

Insurer Officer Signature: \_\_\_\_\_

In California, doing business as Clear Spring Life and Annuity Insurance Company



---

### **Independent Insurance Producer Business Guidelines**

As an independent contractor of Clear Spring Life Marketing, LLC ("CSL Marketing"), independent agent of Clear Spring Life and Annuity Company ("Clear Spring Life"), and licensed producer, it is important to understand these Independent Insurance Producer Business Guidelines (hereinafter referred to as "Business Guidelines"), which are designed to provide an overview of required and prohibited insurance producer activities. Insurance producers, and the insurance companies they represent, are held to a high standard when engaging with clients. Producers must sign and return the attached Producer Acknowledgement to document their understanding of these Business Guidelines.

---

Issued: January 1, 2019

Amendment Effective: August 15, 2022

Amended: April 29, 2022

Clear Spring Life and Annuity Company  
PO Box 80509  
Indianapolis, IN 46280

[www.ClearSpringLife.com](http://www.ClearSpringLife.com)

## TABLE OF CONTENTS

1. Scope	Page 3
2. Licensing	Page 3
3. Training	Page 3
4. Market Conduct	Page 3
a. Unfair Trade Practices	Page 3
b. Sales Practices	Page 5
i. Suitability	Page 5
ii. Replacements	Page 5
c. Cross Border Sales	Page 7
d. Marketing and Advertising	Page 7
e. Complaints and Investigations	Page 9
f. Privacy and Security	Page 10
5. New Business Submission	Page 10
a. New Application Submission	Page 10
i. State Specific Disclosures	Page 10
ii. Alterations	Page 11
iii. Joint Ownership Considerations	Page 11
iv. Replacements and Transfers	Page 12
v. Delivery Receipts	Page 13
vi. Free Looks	Page 13
6. Contract Administration	Page 13
a. Contract Changes	Page 13
b. Withdrawals and Surrenders	Page 13
c. Claims	Page 14
7. Anti-Fraud and Anti-Money Laundering	Page 14
8. Violations of the Federal Violent Crime Control and Law Enforcement Act of 1994	Page 15
9. Cooperation with Internal Reviews	Page 15
10. Record Retention	Page 16
11. Insurance Requirements	Page 16
EXHIBIT A – Advertising Review Request	Page 17
PRODUCER ACKNOWLEDGEMENT	Page 18



# Clear Spring Life Independent Insurance Producer Business Guidelines

## 1. Scope

These Business Guidelines outline the general guidelines for licensed insurance producers (hereinafter referred to as "producers") when conducting themselves in the business of insurance as an independent contractor of CSL Marketing and an independent agent of Clear Spring Life. These Business Guidelines should serve as a guidepost for a producer's market conduct but should not replace any state specific requirements. All producers must adhere to all applicable state specific requirements where he or she is licensed.

## 2. Licensing

All appointed producers are required to maintain an active license and remain in good standing in each state in which they sell, solicit or negotiate Clear Spring Life products. Evidence of an active license in each state must be provided at appointment and upon request by CSL Marketing or Clear Spring Life. Any change in license status must be reported to the CSL Marketing immediately. In addition, producers are required to notify CSL Marketing or Clear Spring Life if any governmental or regulatory agency pursues regulatory action against the producer's license.

## 3. Training

All appointed producers are required to complete all training established by CSL Marketing which must include product-specific and general compliance training. In addition, each producer will be required to complete anti-fraud and anti-money laundering training on an annual basis. These requirements are in addition to state-mandated training, such as annuity suitability training. Evidence of required training completion must be submitted to CSL Marketing.

## 4. Market Conduct

### a. Unfair Trade Practices

Each state prohibits and regulates trade practices by defining which practices constitute unfair methods of competition, or unfair or deceptive acts or practices in the business (including sales or marketing) of insurance. The following non-exhaustive list details what state insurance departments consider unfair trade practices in the business of insurance:

*Misrepresentation.* Producers must be truthful in representing benefits, features, advantages, disadvantages, conditions and terms of all insurance contracts, and when making representations and statements on applications for a contract.

*False Advertising.* Producers are prohibited from creating or publishing advertising that is untruthful or misleading.

*Defamation.* Producers are prohibited from making any false or misleading statements, written or oral, that would cause damage to the reputation of an insurer.

*Boycott, coercion and intimidation.* Producers are prohibited from entering into any agreements to commit or engage in the act of boycott, coercion or intimidation to create unreasonable restraint of, or monopoly in, the business of insurance.

*False statements.* Producers are prohibited from making false or misleading statements, written or oral, about the financial condition or business of any insurer.

*Unfair discrimination.* Producers are prohibited from unfairly discriminating between individuals of the same class and equal life expectancy, or same hazard.

## Clear Spring Life Independent Insurance Producer Business Guidelines

**Rebating.** Producers are prohibited from knowingly permitting or offering to make any agreement to provide any valuable consideration as an incentive to purchase or retain insurance other than as expressly provided in the contract issued; or paying or allowing, directly or indirectly, as an inducement, any rebate of premiums. Some states allow for offering promotional items so long as the item does not exceed each state's value threshold and is not contingent on the purchase of an insurance product. Please consult each state's legal requirements to understand what is permissible in the state.

**Unfair Financial Planning Practices.** Producers may only hold themselves out, directly or indirectly, to the public as a "financial planner," "investment adviser," "consultant," "financial counselor," or any other specialist engaged in the business of giving financial planning or advice relating to investments, insurance, real estate, tax matters, or trust and estate matters if the producer in fact has such credentials in addition to being a licensed producer. Producers, however, are prohibited from charging additional fees for services that are customarily associated with the solicitation, negotiation, or servicing of insurance policies. Additional disclosures are required for producers engaging in the business of financial planning.

**Churning.** Producers are prohibited from recommending replacements if the sole purpose of the recommendation is to generate sales commission to the producer.

**Senior-Specific Designation.** Producers are prohibited from using any senior-specific certification or professional designation that indicates or implies in such a way as to mislead a client that the producer has a special certification, or otherwise received training in advising or servicing seniors. Examples of prohibited uses of senior-specific certifications or designations include but are not limited to the following:

- Use of a certification or professional designation by an insurance producer who has not actually earned or is otherwise ineligible to use such certification or designation;
- Use of a nonexistent or self-conferred certification or professional designation;
- Use of a certification or professional designation that indicates or implies a level of occupational qualifications obtained through education, training or experience that the insurance producer using the certification or designation does not have; and
- Use of a certification or professional designation that was obtained from a certifying or designating organization that:
  - is primarily engaged in the business of instruction in sales or marketing;
  - does not have reasonable standards or procedures for assuring the competency of its certificants or designees;
  - does not have reasonable standards or procedures for monitoring and disciplining its certificants or designees for improper or unethical conduct; or
  - does not have reasonable continuing education requirements for its certificants or designees in order to maintain the certificate or designation.

The following terms have a tendency to mislead clients if the producer has not otherwise earned, or is otherwise not eligible, to utilize the use of the terms in the designation or certification: "senior," "retirement," "elder," "certified," "registered," "chartered," "advisor," "specialist," "consultant," and "planner."

**Public policy.** Producers are prohibited from engaging in any practice that violates public policy.

## Clear Spring Life Independent Insurance Producer Business Guidelines

The above list outlines general guidelines regarding what constitutes unfair or otherwise dishonest trade practices. Each state may deem other activities as unfair trade practices. Producers should be familiar with the unfair trade practice laws in the states they are licensed in, use good business judgement, and engage in honest and fair business practices.

### b. Sales Practices

All producers are expected to engage in appropriate sales practices when dealing with clients. Any sales practices which are deemed inappropriate, high pressure sales tactics, dishonest, or fraudulent may result in immediate contract termination. This section covers basic producer market conduct standards.

#### i. Suitability

Producers are required to ensure all recommendations to purchase, exchange or replace an annuity made to a client are suitable or in the client's best interest, as required by state law. Producers are expected to gather sufficient information from a client to have reasonable grounds to believe the recommendation is suitable or in the best interest of the client based on the facts disclosed by the client as to his or her investments, other insurance products, and his or her financial situation and needs, including the client's age and other relevant information. In addition, the producer must have reason to believe the client has been reasonably informed of certain features of the annuity, such as potential surrender periods and charges, potential tax penalties if the client sells, exchanges, surrenders or annuitizes the annuity, mortality and expense fees, investment advisory fees, potential charges for and features of available riders, limitations on interest returns, insurance and investment components, and market risk.

Clear Spring Life has created a standard Consumer Profile Information Worksheet (hereinafter referred to as "Consumer Profile Form") (for all states except Florida) to assist producers with gathering all required client profile information. This form is accessible along with other new business forms through the agent portal on the CSL Marketing website at [www.csllmarketing.com](http://www.csllmarketing.com) or Clear Spring Life's website at [www.ClearSpringLife.com](http://www.ClearSpringLife.com). In addition, the Consumer Profile Form, as well as other new business forms are built into the electronic application which is also accessible via these agent portals. Florida requires a state-specific Annuity Suitability Questionnaire for all annuity sales. This form is also available via the agent portals and is built into the electronic application.

Clear Spring Life has established a screening system for selected transactions to receive a heightened review. As a result, supplementary documentation in addition to the standard forms may be requested to understand the sales recommendations. Age, income, liquid assets, applicable surrender charges, and any anticipated changes in financial situation are factors that may prompt a heightened review. Failure of the producer to provide sufficient documentation in support of the recommendation may result in the application being declined by Clear Spring Life. A pattern or practice of submitting applications that require a heightened review may prompt a heightened review of all new applications submitted by the producer.

When recommending that a client purchase a Clear Spring Life product, it is incumbent on the producer to document the rationale for the recommendation and demonstrate that the advantages and disadvantages of the recommendation were appropriately disclosed to the client. **Note: Clear Spring Life does not accept applications with incomplete profile information or applications which are not based upon the producer's recommendation.**

#### ii. Replacements

In addition to suitability and best interest requirements, additional documentation and disclosures are required when a producer recommends the replacement of an existing life or annuity contract. As a result, Clear Spring Life has developed standard forms and disclosure documents for replacement transactions, which are available on the agent portals located on the CSL Marketing and Clear Spring Life websites



## Clear Spring Life Independent Insurance Producer Business Guidelines

and are made a part of the electronic application submission process. Failure to submit all required or requested replacement documentation will result in a declined application.

A replacement is defined as a transaction in which a new policy or contract is to be purchased, and it is known, or should be known, to the producer that by reason of the transaction, an existing policy or contract has been, or is to be:

- lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing insurer, or otherwise terminated;
- converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values;
- amended as to effect either a reduction in benefits in the term for which coverage would otherwise remain in force, or for which benefits would be paid;
- reissued with any reduction in cash value; or
- used in a financed purchase.

A **financed purchase** is defined as the purchase of a new policy or contract involving the actual or intended use of funds obtained by the withdrawal or surrender of, or by borrowing from values of, an existing policy or contract to pay all or part of any premium due on the new policy or contract. If a withdrawal, surrender, or borrowing involving the policy values of an existing policy or contract is used to pay premiums on a new policy or contract owned by the same policyholder and issued by the same company within four months before, or 13 months after, the effective date of the new policy or contract, it will be deemed *prima facie* evidence of the policyholder's intent to finance the purchase of the new policy or contract with existing policy values.

When making replacement recommendations to **clients**, it is the producer's duty to document the benefits of the replacing policy or contract, including but not limited to the following:

- Administrative support provided by CSL Marketing or Clear Spring Life;
- Additional benefits and features available;
- Available riders;
- Any enhanced death benefits;
- Known benefits of consolidation of contracts;
- Enhanced policy performance;
- Cash value benefits;
- Interest rates (current and guaranteed); and
- Company ratings.

In addition, it is equally important for the producer to disclose the possible disadvantages of the replacement policy or contract, including but not limited to the following:

- Surrender charges incurred as a result of the replacement;
- New surrender charge periods;
- Negative impact on cash value of existing policy or contract;
- Loss of death benefit on existing policy or contract;
- Loss of credited interest;
- Potential adverse tax consequences; and
- Loss of existing benefits or features.

Producers are prohibited from the following:

- Failing to comply with all applicable state and federal laws and Clear Spring Life procedures;

## Clear Spring Life Independent Insurance Producer Business Guidelines

- Recommending unsuitable replacement transactions;
- Recommending replacement transactions that are not in the best interest of the client, where applicable;
- Providing deceptive or misleading information;
- Failing to ask an applicant in completing an application the pertinent question regarding the possibility of financing or replacement;
- Intentionally providing incorrect information on any application;
- Advising an applicant to respond negatively to any question regarding replacement in order to prevent notice of a replacement to Clear Spring Life;
- Advising a client or contract owner to write directly to Clear Spring Life in such a way as to attempt to obscure the identity or involvement of the producer;
- Failing to provide all required forms and disclosures to the applicant;
- Failing to disclose when a recommendation involves a replacement as defined above; and
- Failing to disclose whether the applicant has existing life insurance policies or contracts.

### Special considerations:

- Some states may require a producer replacing a variable life or annuity contract to be a registered representative. Producers should familiarize themselves with such state-specific requirements.
- Certain states require specific written disclosures. These are outlined in section 5(a)(i).
- In California, producers are prohibited from selling annuity contracts to seniors where the senior's purpose in purchasing the annuity is to affect Medi-Cal eligibility. Clear Spring Life does not permit exceptions to this rule.

### c. Cross-Border Sales

Many producers are licensed in multiple states. In order to do business in a particular state, producers must have a resident or nonresident license and be appointed with Clear Spring Life. Many states prohibit sales to clients outside their resident state ("non-resident sales").

For nonresident sales, where the product is available in both the resident state and the nonresident state, the sale will be governed by the state where the solicitation occurs. Where a product is not available for sale in the resident state, a resident is only allowed to purchase the product in another state if they provide a valid reason to be in the nonresident state, other than solely to purchase the insurance product.

Examples of valid reasons include a second home, visiting family, or employment. In these circumstances, the producer should document, in writing, the valid reason for the nonresident sales. Clear Spring Life has adopted the Non-Resident Sales Verification Form, which is required for all nonresident sales.

Other state restrictions may exist. For example, when the client is a resident of the state of New York, Clear Spring Life will not accept the business. Clear Spring Life is not currently authorized to engage in the business of insurance in New York.

### d. Marketing and Advertising

Producers are required to adhere to Clear Spring Life's marketing and advertising guidelines when developing and disseminating advertising materials. Advertising is generally defined as material designed to create public interest in life insurance or annuities, or in an insurer, or in an insurance producer, or to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy or contract. Advertising includes printed and published materials, whether verbal, in writing or online, as well as all descriptive literature and sales aids of any kind including sales talks and presentations. Producers who develop advertising materials that reference Clear Spring Life or its products must obtain approval from Clear Spring Life prior to publishing. The following is a non-exhaustive list of advertising

## Clear Spring Life Independent Insurance Producer Business Guidelines

guidelines. Clear Spring Life reserves the right to issue more detailed guidelines, which will be made available on agent portals on the CSL Marketing and Clear Spring Life websites. It is the duty of each producer to review the most up to date guidelines when developing and submitting advertising for review and approval. Clear Spring Life reserves the right to prohibit the publication of any producer-created advertising material that references Clear Spring Life or its products.

*Form and Content of Advertising.* Advertisements must be truthful and not misleading in fact or by implication. Advertising must be sufficiently complete, balanced and clear so as to avoid deception.

- Advertisements must disclose applicable limitations or negative features if positive features are discussed. Insurance terms identifying the extent or nature of the contract must be defined, if not broadly known by the buying public.
- All statistics used in any advertisement must be recent and relevant. Producers must identify the source of statistics used in any advertisement.
- Non-guaranteed elements must be based on Clear Spring Life's current scale and must clearly disclose that they are not guaranteed. (Examples: "Current Company Practice" or "Subject to Change".)
- If non-guaranteed elements are illustrated, guaranteed elements must be illustrated in equal prominence.
- Use of the following terms is prohibited: "CD Annuity", "certificate of annuity", "deposit", "savings", "savings account", "contributions", "investment", "profit", "profit sharing", "plan", "investment plan", "founder's plan", "charter plan", "expansion plan", "interest plan", "savings plan", "investment department", "insured investment department", "approved by the Insurance Department", "savings annuity plan", "securities annuity plan", "tax savers plan", "units of participation", or any similar terms.
- Use of unsubstantiated terms is prohibited, unless supported, such as: "best", "full", "all", "highest", "most", "largest", "free", "safest", "no cost", "without cost", "no additional cost", "no extra cost", "risk free", "guaranteed safe", "no red tape", "special", "limited", "vanishing", or "vanishing premium".
- Premium must always be referred to as "premium".
- Advertisements must not refer to "savings" in reference to cash value.
- Statements such as "no load" and "no sales charge" must also reference surrender charges.
- No person is permitted to advertise capital or assets of the insurer without setting forth the amount of liabilities in the same advertisement. However, assets under management, alone, can be used.
- Advertisements must not state that purchaser will share in any percentage or portion of insurer's general account.
- Generic features must not be listed as special or particular to the contract and must be identified as features generic to all such contracts of that type.



## Clear Spring Life Independent Insurance Producer Business Guidelines

- Limitations must not be worded positively to imply a benefit and must be clearly defined.
- Material may not compare contracts or policies, benefits or marketing methods of other insurers. Also, material may not disparage other insurers, producers, services or methods of marketing.
- The identity of Clear Spring Life as the issuing insurer must be disclosed in all advertising. All references to the Clear Spring Life must initially include the full name: Clear Spring Life and Annuity Company. For advertisements viewable in California, the full name must be Clear Spring Life and Annuity Company d/b/a Clear Spring Life and Annuity Insurance Company in California, NAIC#83607. Once the full name is disclosed, the producer may use Clear Spring Life. Producers are prohibited from stating or implying that a company other than Clear Spring Life has any responsibility for the financial obligations under the contract.
- The producer or producer's agency name and address and/or phone number must appear if the producer or producer's agency is the one advertising.
- Reputation of the parent company or any affiliate may not be used in advertising.
- Stating or implying that Clear Spring Life is affiliated with any governmental program or agency is prohibited.
- Reference to any State Insurance Guaranty Fund is prohibited.
- The advertising must prominently describe the type of insurance being advertised and use each relevant product's complete marketing name.
- All advertising must comply with applicable law the state in which the advertising is published.

*Submission of Advertising for Approval:* Producers must submit all advertising referencing Clear Spring Life or its products for review to CSL Marketing using the Advertising Review Request attached hereto as Exhibit A and posted on the agent portals on the CSL Marketing and Clear Spring Life websites, completed with all requested information and a copy of the advertising material. Once submitted, a CSL Marketing associate will work with the producer through the review process. Once CSL Marketing determines that the submitted advertising material confirms to Clear Spring Life's marketing guidelines, it will submit the material to Clear Spring Life for an approval identification number. Once Clear Spring Life provides an approval identification number, the producer may then publish the advertising material.

Failure to submit advertising for review and approval may result in termination of the producer contract and appointment.

### e. Complaints and Investigations

Producers are prohibited from dissuading or attempting to dissuade clients and consumers from filing a complaint with Clear Spring Life or the relevant state insurance department. A complaint is defined as any written communication primarily expressing a grievance.

## Clear Spring Life Independent Insurance Producer Business Guidelines

If a producer receives a complaint pertaining to a Clear Spring Life product, that producer must notify Clear Spring Life immediately to ensure the complaint is handled in accordance with state requirements. Failure to handle complaints in accordance with state requirements could subject the producer, CSL Marketing and Clear Spring Life to administrative penalties. Clients or consumers who provide verbal complaints should be asked to submit their complaint in writing.

Once a complaint is received, Clear Spring Life will work directly with the producer to resolve the complaint and prepare a final response. Complaints involving producers will require each relevant producer and the producer's agencies to submit a formal written response to the allegations raised in the complaint and provide all relevant documentation including sales materials and needs assessments. Failure to do so promptly, or at all, may result in termination of the producer's contract and appointment.

### f. Privacy and Security

All producers must abide by Clear Spring Life's **Producer Data Use Guidelines** (the "Data Use Guidelines"). The Data Use Guidelines apply at all times while you are representing Clear Spring Life, and in every situation where personal information of a consumer and/or a client is being collected, used, stored or otherwise processed. You will be expected to read and adhere to Clear Spring Life's written privacy notice and all other privacy disclosures, as applicable. Clear Spring Life may, from time to time, update the Data Use Guidelines and/or certain privacy disclosures, and it is your responsibility to be familiar with the most current version in effect. If you have any questions about the Data Use Guidelines or Clear Spring Life's other privacy requirements, please contact [GLACCompliance@Group1001.com](mailto:GLACCompliance@Group1001.com) for assistance. Failure to adhere to these guidelines may result in discipline, up to and including termination of the producer's contract and appointment.

## 5. New Business Submission

### a. New application submission

#### i. State Specific Disclosures

Producers are required to complete additional disclosures in certain states. Required disclosures are included in the application packet via the agent portals on the CSL Marketing and Clear Spring Life websites for each state where required. States with specific disclosure forms include the following:

**California** law (Cal. Ins. Code §§ 789.8 – 789.10) requires additional disclosures when soliciting to seniors (persons 65 years and older). No California contracts sold to seniors will be issued without these additional, completed disclosures. Specifically, producers are required to comply with the following:

- Producers must provide certain notice to a senior no less than 24 hours and no more than 14 days *prior to* having an initial meeting in the senior's home. If a senior has an existing relationship with the producer and requests a meeting in the senior's home the same day, the notice must be delivered prior to beginning the meeting. Clear Spring Life has adopted form PRN-CA, which is available via the agent portals on the CSL Marketing and Clear Spring Life websites, to assist producers with complying with these disclosure requirements.
- *During* a producer's meeting with a senior in his or her home, and before making any statement or asking the senior any questions, all producers must disclose 1) that the purpose of the visit is to sell insurance, 2) the name and titles of all persons arriving at the senior's home, and 3) the name of the insurer(s) represented. Clear Spring Life has adopted form F-CAD-1, which is available via the agent portals on the CSL Marketing and Clear Spring Life websites, to assist producers with complying with these disclosure requirements.

## Clear Spring Life Independent Insurance Producer Business Guidelines

**Idaho law** (Idaho Code §§ 41-1941, 41-1942, and 41-1943) requires additional disclosures for annuity sales to Idaho clients.

- **Meeting with the Proposed Applicant.**
  - Face-to-face meeting. Where an application for an annuity contract is taken in a face-to-face meeting, the applicant must be given the disclosure document (e.g. product summary) and the buyer's guide at the time of application and at the time of contract delivery. Clear Spring Life is required to maintain a signed copy of the disclosure document for a minimum of five years after the natural life of the annuity contract.
  - Other than a face-to-face meeting. Where an application for annuity contract is taken in a manner other than in a face-to-face meeting, the applicant must be sent both the disclosure document and the buyer's guide, at the time of application and at the time of contract delivery. Clear Spring Life is required to maintain a signed copy of the disclosure document for a minimum of five years after the natural life of the annuity contract.
- **Required Disclosure Information.**
  - In addition to the product-specific disclosure documents, a specific form, prescribed under Idaho Code § 41-1941(6), must be considered part of the disclosure requirement for all annuity contracts sold on or after October 1, 2020. In order to comply, Clear Spring Life has adopted product-specific forms including ID-AN-2020 PR-MYGA (Preserve), ID-AN-2020 RO-MYGA (ProOption), ID-AN-2020 SPIA (Provider), ID-AN-2020 H7-FIA (Highlander 7), ID-AN-2020 HL-FIA (Highlander), ID-AN-2020 VS-FIA (ViStar), and ID-AN-2020 TV-FIA (TriVysta) to be provided to the applicant at time of application and at time of contract delivery. No Idaho annuity contracts will be issued without the completed product-specific form.

**Kansas and Ohio laws** (KAR 40-2-14 & OAC 3901-1-47) require producers to obtain a signed Single Premium Deferred Annuity Disclosure Form when recommending the purchase of a deferred annuity. Clear Spring Life has adopted forms SPDA DISC-KS and SPDA DISC-OH, respectively, which are available via the agent portals on the CSL Marketing and Clear Spring Life websites, to assist producers with complying with these disclosure requirements. No Kansas or Ohio deferred annuity contracts will be issued without these completed forms. These disclosures are available via the agent portals on the CSL Marketing and Clear Spring Life websites.

**Minnesota law** (Minn. Stat. § 60K.46) requires producers to disclose the name of the person that made initial contact with the client and confirm that the producer is an appointed producer of Clear Spring Life and is in the business of selling insurance *prior to* making any offer to sell any life or annuity product. Clear Spring Life has adopted form DISC-MN, which is available via the agent portals on the CSL Marketing and Clear Spring Life website, to assist producers with complying with these disclosure requirements.

### ii. Alterations

Producers are prohibited from making any alterations on applications without written consent of the applicant. Clear Spring Life will only accept alterations to an application if the changes are initialed by the applicant. Any changes without applicant initials will be sent back to the producer to obtain the required initials or consent. This requirement also applies to additional suitability information provided by the producer.

#### b. Joint Ownership considerations

It is important to note the following characteristics of joint ownership of a fixed annuity:

**Rights under the contract.** With joint ownership of an annuity, the signatures of both owners are required to exercise the rights of ownership.



## Clear Spring Life Independent Insurance Producer Business Guidelines

**1099 Forms.** If a withdrawal is taken, the primary owner (first listed) will receive an IRS Form 1099-R - Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. This means that the primary owner assumes the tax liability for the withdrawal, even if the entire withdrawal was spent by the other joint owner. Any joint owner under age 59 1/2 may also be subject to a 10% penalty on any taxable amount of his or her portion of the withdrawal.

**Death Benefit.** If joint ownership by a married couple is desired and the applicants want the right to continue the contract in the event of the death of one of the joint owners, then the sole, primary beneficiary must be listed as "surviving spouse". If someone other than the surviving spouse is named as the primary beneficiary, or if someone other than the surviving spouse is named as a primary beneficiary along with the surviving spouse, the spousal exception will be lost and Clear Spring Life will not continue the contract, even if the surviving spouse is a joint owner.

Producers should always advise applicants to consult a qualified tax advisor if they have questions about the tax implications of jointly owned annuities.

### c. Replacements and Transfers

**Transfer forms.** Producers must complete and submit all required transfer forms when submitting an application for a replacement to an existing policy or contract. Prior to completing any transfer paperwork, producers should contact the company from which the transfer is occurring (the "existing insurer") for their transfer form requirements.

To ensure efficient processing, producers should complete the following steps when completing Clear Spring Life transfer forms:

- Verify that owners are listed on the transfer forms exactly as they appear on the existing policy or contract.
- Verify the address of the existing insurer. List a physical mailing address rather than P.O. Box for overnight mailing purposes on the transfer forms.
- Mark only the section on the transfer form relevant to the exchange (i.e. 1035 Exchange, Liquidation of Non-Qualified Account, Direct Rollover, or Direct Transfer). Marking more than one section may result in delays.
- Obtain signatures from all owners on the existing policy or contract. If owned by a Trust, provide a copy of the Trust document, including the signature page.
- When requesting multiple transfers, complete a separate transfer form (and replacement form, if necessary) for each existing insurer. Additional forms can be printed from the agent portals.

When calling the existing insurer to check the status on pending transfers/1035 exchanges, producers are prohibited from claiming to be an employee of Clear Spring Life.

In accordance with IRS guidelines, a 1035 exchange from an annuity contract into a life insurance contract is not permitted. The client must surrender the annuity contract, pay taxes on any gain, and forward a check for purchase of the life insurance policy.

## Clear Spring Life Independent Insurance Producer Business Guidelines

**Replacement Comparison Forms.** All replacement transactions must be reviewed and approved prior to a request for the transfer of funds from the existing insurer. All replacements must have a completed Replacement Comparison Table, which is included in Clear Spring Life's Consumer Profile Form for all states except Florida. For all Florida replacements, the Disclosure and Comparison of Annuity Contracts form is required. Both forms are available via the agent portals on the CSL Marketing and Clear Spring Life websites.

### d. Delivery Receipts

Clear Spring Life requires signed delivery receipts in all states for all issued contracts. This information allows Clear Spring Life and CSL Marketing to:

- document the timely delivery of the contract;
- accurately track the free-look period;
- document the date of release for commissions that are held; and
- comply with insurance regulatory requirements, where applicable.<sup>1</sup>

CSL Marketing holds commissions at \$25,000 or greater. Unless other arrangements have been expressly agreed to by CSL Marketing on cases over \$1,000,000, the held amount will be released after the client-signed delivery receipt has been received by Clear Spring Life and the 30-day free-look period has ended. The free-look period begins on the contract delivery date, as stated in the client-signed delivery receipt. Questions about the commission-hold policy should be directed to CSL Marketing at 1-800-767-7749 or [AgentCommissions@CSLMarketing.com](mailto:AgentCommissions@CSLMarketing.com).

Delivery receipts will be included with every annuity contract issued by Clear Spring Life. Clear Spring Life accepts delivery receipts by standard mail or courier, by fax and by email at 317.574.6278 or [NewBusiness@CSLMarketing.com](mailto:NewBusiness@CSLMarketing.com).

### e. Free Looks

All written requests to exercise the free look provision of a contract must be forwarded to Clear Spring Life immediately. Some written free look requests contain communications expressing dissatisfaction with the product or sale. Any written free look requests containing this information will be reviewed and investigated by Clear Spring Life.

## 6. Contract Administration

This section covers general guidelines for contract administration. Clear Spring Life reserves the right to issue more detailed procedures outlining specific processes for assisting clients with contract administration.

### a. Contract Changes

All contract changes initiated by contract holders must be submitted to Clear Spring Life. Contract changes include, but are not limited to, address changes, ownership changes, beneficiary changes, reallocations, and renewals.

### b. Withdrawals and Surrenders

All withdrawal and surrender requests must be forwarded to Clear Spring Life immediately upon receipt using the Authorization for Annuity Withdrawal form, which can be obtained from agent portals on the CSL Marketing and Clear Spring Life websites.

---

<sup>1</sup> Client-signed delivery receipts are legally required in California, Louisiana, Missouri, Pennsylvania, South Dakota, Virginia and West Virginia, but Clear Spring Life requires that client-signed delivery receipts be returned for all Clear Spring Life-issued contracts.

## Clear Spring Life Independent Insurance Producer Business Guidelines

**Tax Withholding.** For any type of payment, withdrawal or surrender from Clear Spring Life annuities, contract holders must complete the withholding section of the Authorization for Annuity Withdrawal form. Clear Spring Life is required to withhold taxes in accordance with IRS guidelines. When no withholding instructions are provided by the party receiving the payment, Clear Spring Life is obligated to withhold. After the start of a new year, Clear Spring Life is unable to recover withholdings remitted for a prior year.

Contract holders requesting that transactions be reversed from a prior year should understand that Clear Spring Life can reverse the transactions but *cannot reverse withholdings*. In order for contract holders to recover withholdings remitted for a prior year, they must report it on their current tax returns. All withholdings taken on the previous year's withdrawals and surrenders will be reported to contract holders on 1099s, which are mailed no later than January 31.

### c. Claims

All requests for claim forms and completed claim forms must be forwarded to Clear Spring Life immediately upon receipt. Claim forms are available on the CSL Marketing website. Producers are prohibited from making any statements to contract holders regarding claims settlement. Decisions on whether claims are due and payable are made exclusively by and at the sole discretion of Clear Spring Life.

### 7. Anti-Fraud and Anti-Money Laundering (AML)

Clear Spring Life is committed to preventing the use of its operations for fraudulent activities or money laundering, or any activity which facilitates money laundering, or the funding of terrorist or criminal activities. Clear Spring Life has adopted formal anti-fraud and anti-money laundering policies and procedures which outline its compliance programs for deterring, identifying, investigating and reporting suspected fraud, money laundering or other criminal activity. Producers play a significant role in identifying and deterring such activity.

**Producer training.** All producers are required to receive, review, and acknowledge Clear Spring Life's anti-fraud and anti-money laundering policies at appointment. In addition to mandatory periodic review of these policies, producers will be required to complete anti-fraud and anti-money laundering training on an annual basis. Evidence of completion must be provided to CSL Marketing upon request.

**Customer identification.** Producers play an important role in customer identification. It is the duty of the producer to confirm the identity of applicants by obtaining a government issued photo ID. Customer identification information must be documented on the Consumer Profile Form, which is available via the agent portals on the CSL Marketing and Clear Spring Life websites.

**Red Flag identification and suspicious activity.** Producers are required to report any red flags or suspicious activities they have observed to CSL Marketing or Clear Spring Life, as appropriate. Details regarding red flags are set forth in Clear Spring Life's anti-fraud and anti-money laundering policies and procedures and are part of Clear Spring Life's and CSL Marketing's required regular training for producers. Producers may also report red flags or suspicious activity to Clear Spring Life by emailing [GLACCompliance@Group1001.com](mailto:GLACCompliance@Group1001.com)

**Check acceptance policy.** Producers are required to adhere to Clear Spring Life's policy on what is deemed an acceptable form of payment. Below is a list of acceptable and unacceptable forms of payment:



## Clear Spring Life Independent Insurance Producer Business Guidelines

ACCEPTABLE	UNACCEPTABLE
Cashier check with client first and last name pre-printed on the check prior to receipt by Clear Spring Life.	Currency, traveler's checks, credit card checks, money orders and other cash equivalents.
Transfers from trust accounts.	Wire transfers directly from a foreign financial institution.
Payments from insurance companies whose policies/contracts are being exchanged for one issued by Clear Spring Life.	Checks drawn from a producer or agency account.
Transfers from one financial institution to another.	Checks with New York or foreign addresses or from foreign bank accounts.
	Business checks drawn on any entity other than the contract or beneficial owner or insurance companies whose policies/contracts are being exchanged for one issued by Clear Spring Life.
	Personal checks drawn on anyone other than the contract or beneficial owner, with the exception of checks drawn on the account of the legal guardian, parent or grandparent of a minor.
	Starter checks.

Below is a non-exhaustive list of required and prohibited payment information.

Required Information	Prohibited Information
Payee must be Clear Spring Life and Annuity Company or a similar variation such as: Clear Spring Life and Annuity, Clear Spring, Clear Spring Life, Clear Spring Company or Clear Spring Insurance Company.	Any misspellings of Clear Spring Life's name, or reference to Clear Spring Life as a trustee or custodian, except for instances where the check is from a financial institution or other insurance company, such as an IRA rollover or IRA transfer.
Bank account, routing and check number.	Discrepancies between written and numeric amounts.
Client's first and last name pre-printed on the check.	Postdated checks.
	Checks not signed or properly endorsed.

### 8. Violations of the Federal Violent Crime Control and Law Enforcement Act of 1994

Title 18, Section 1033(e)(i)(a) of the federal statutes of the United States (18 USC 1033(e)(i)(a)) makes it a felony crime for a person to engage or participate in the business of insurance if that person has ever been convicted of a state or federal felony involving dishonesty or a breach of trust including such crimes that affect the business of insurance and affect interstate commerce as described in 18 USC 1033.

The statute makes it illegal for an insurer or its officers, directors, employees, producers or brokers to willfully employ a person who has been convicted of a felony crime involving dishonesty or a breach of trust without a waiver from an insurance regulatory official.

Any producer appointed by Clear Spring Life to sell its products has an affirmative duty to report possible violations of these provisions to the CSL Marketing or Clear Spring Life.

### 9. Cooperation with Internal Reviews

All producers are required to cooperate with all investigations by CSL Marketing or Clear Spring Life, or by any auditor of Clear Spring Life or any federal or state authority with jurisdiction over such producer's activities as a Clear Spring Life appointed producer. As such, all producers are required to submit timely and complete responses to requests for information from CSL Marketing or Clear Spring Life. All producers are required to provide immediate notification to CSL Marketing and Clear Spring Life of any request from an auditor, insurance regulator or any other federal or state authority regarding such producer's activities as a Clear Spring Life appointed producer or any other matter relating to CSL Marketing or Clear Spring Life.

### 10. Record Retention

All producers are required to maintain and promptly make available upon request all records retained on Clear Spring Life contract holders and applicants for annuity contracts. Maintenance of records must adhere to record retention requirements applicable to the state in which the producer does business. Producers are permitted to utilize CSL Marketing as a resource for record retention of any documentation pertaining to the producer's relationship with CSL Marketing or Clear Spring Life. Examples of records required to be maintained include but are not limited to the following:

- Original sales proposals;
- A copy of any needs analysis completed during the solicitation;
- A copy of any sales material or advertisements used during the sales process;
- Any written correspondence to or from the applicants/contract owners regarding the solicitation, or issuance of a Clear Spring Life contract or subsequent service of the contract;
- Documentation of phone calls to or from the applicants/contract owners addressing the above issues;
- Notes from any meetings or telephone consultations with applicants/contract owners; and
- A copy of the signed delivery receipt.

State regulations vary regarding the length of time that client files are to be maintained. However, a general rule of thumb is to maintain all active client files indefinitely and all inactive client files for seven years. Records should be maintained in accordance with prudent record keeping practices and in compliance with all federal and state privacy and security standards.

### 11. Insurance Requirements

All producers must maintain insurance covering professional errors and omissions with minimum limits of one million dollars (\$1,000,000). Producers must provide CSL Marketing with proof that such coverage is in effect on an annual basis or upon request by CSL Marketing. In the event such coverage is terminated, producers must notify CSL Marketing as required by their independent agent agreement.

**EXHIBIT A – Advertising Review Request**

When submitting advertising material to CSL Marketing for review, please include the following information in an email to CSL Marketing at [communications@CSLMarketing.com](mailto:communications@CSLMarketing.com).

- Date of review request.
- Producer name and number
- Brief description of the advertising piece including whether this will be agent-facing only or public-facing
- Associated product(s)
- Manner of distribution (e.g. website, email, newspaper, etc.)
- Approximate size of audience (all clients is not sufficient)
- Length of time advertising will be displayed or circulated

Once approved, Clear Spring Life will issue an approval code that must be shown on the advertising piece. Please retain a copy of the approval for your records.



## Clear Spring Life Independent Insurance Producer Business Guidelines

### PRODUCER ACKNOWLEDGEMENT

I hereby acknowledge receipt and understanding of these Independent Insurance Producer Business Guidelines ("Business Guidelines") and agree to abide by these Business Guidelines and any amendments hereto.

\_\_\_\_\_  
Producer Name \_\_\_\_\_

\_\_\_\_\_  
Producer Number \_\_\_\_\_

\_\_\_\_\_  
Date \_\_\_\_\_

## Appendix D – Privacy and Security of Resident of Massachusetts and Forms

### PRIVACY AND SECURITY OF RESIDENTS OF MASSACHUSETTS

In 2010, the Commonwealth of Massachusetts implemented additional security requirements applicable to personal information of residents of the Commonwealth which is received by agents of the Company.

Massachusetts regulation 201 CMR 17.00 requires the following:

Every person that owns or licenses personal information about a resident of the Commonwealth shall develop, implement, and maintain a comprehensive information security program that is written in one or more readily accessible parts and contains administrative, technical and physical safeguards that are appropriate to

- a) the size, scope and type of business of the person obligated to safeguard the personal information under such comprehensive information security program;
- b) the amount of resources available to such person;
- c) the amount of stored data; and
- d) the need for security and confidentiality of both consumer and employee information.

The safeguards contained in such program must be consistent with the safeguards for protection of personal information and information of a similar character set forth in any state or federal regulations by which the person who owns or licenses such information may be regulated.

For your reference, included in this **Appendix D** are the following:

- a) a copy of Massachusetts Regulation 201 CMR 17.00; and
- b) a Certification of Compliance that
  - i. must be signed by all agents writing business in Massachusetts and
  - ii. returned to the Company. 201 CMR 17:00.

### STANDARDS FOR THE PROTECTION OF PERSONAL INFORMATION OF RESIDENTS OF THE COMMONWEALTH

Section:

17.01: Purpose and Scope

17.02: Definitions

17.03: Duty to Protect and Standards for Protecting Personal Information

17.04: Computer System Security Requirements

17.05: Compliance Deadline

Page 1 of 5

**17.01 PURPOSE AND SCOPE****(1) Purpose**

This regulation implements the provisions of M.G.L. c. 93H relative to the standards to be met by persons who own or license personal information about a resident of the Commonwealth of Massachusetts. This regulation establishes minimum standards to be met in connection with the safeguarding of personal information contained in both paper and electronic records. The objectives of this regulation are to insure the security and confidentiality of customer information in a manner fully consistent with industry standards; protect against anticipated threats or hazards to the security or integrity of such information; and protect against unauthorized access to or use of such information that may result in substantial harm or inconvenience to any consumer.

**(2) Scope**

The provisions of this regulation apply to all persons that own or license personal information about a resident of the Commonwealth.

**17.02: DEFINITIONS**

The following words as used herein shall, unless the context requires otherwise, have the following meanings:

**Breach of security**, the unauthorized acquisition or unauthorized use of unencrypted data or, encrypted electronic data and the confidential process or key that is capable of compromising the security, confidentiality, or integrity of personal information, maintained by a person or agency that creates a substantial risk of identity theft or fraud against a resident of the commonwealth: A good faith but unauthorized acquisition of personal information by a person or agency, or employee or agent thereof, for the lawful purposes of such person or agency, is not a breach of security unless the personal information is used in an unauthorized manner or subject to further unauthorized disclosure.

**Electronic**, relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

**Encrypted**, the transformation of data into a form in which meaning cannot be assigned without the use of a confidential process or key.

**Owns or licenses**, receives, stores, maintains, processes, or otherwise has access to personal information in connection with the provision of goods or services or in connection with employment

**Person**, a natural person, corporation, association, partnership or other legal entity, other than an agency, executive office, department, board, commission, bureau, division or authority of the Commonwealth, or any of its branches, or any political subdivision thereof.

**Personal information**, a Massachusetts resident's first name and last name or first initial and last name in combination with any one or more of the following data elements that relate to such resident: (a) Social Security number; (b) driver's license number or state-issued identification card number; or (c) financial account number, or credit or debit card number, with or without any required security code, access code, personal identification number or password, that would permit access to a resident's financial account; provided, however, that "Personal information" shall not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public.



Page 2 of 5

**Record or Records**, any material upon which written, drawn, spoken, visual, or electromagnetic information or images are recorded or preserved, regardless of physical form or characteristics.

**Service provider**, any person that receives, stores, maintains, processes, or otherwise is permitted access to personal information through its provision of services directly to a person that is subject to this regulation.

#### 17.03: DUTY TO PROTECT AND STANDARDS FOR PROTECTING PERSONAL INFORMATION

- (1) Every person that owns or licenses personal information about a resident of the Commonwealth shall develop, implement, and maintain a comprehensive information security program that is written in one or more readily accessible parts and contains administrative, technical, and physical safeguards that are appropriate to
  - a) the size, scope and type of business of the person obligated to safeguard the personal information under such comprehensive information security program;
  - b) the amount of resources available to such person;
  - c) the amount of stored data; and
  - d) the need for security and confidentiality of both consumer and employee information. The safeguards contained in such program must be consistent with the safeguards for protection of personal information and information of a similar character set forth in any state or federal regulations by which the person who owns or licenses such information may be regulated.
- (2) Without limiting the generality of the foregoing, every comprehensive information security program shall include, but shall not be limited to:
  - a) Designating one or more employees to maintain the comprehensive information security program;
  - b) Identifying and assessing reasonably foreseeable internal and external risks to the security, confidentiality, and/or integrity of any electronic, paper or other records containing personal information, and evaluating and improving, where necessary, the effectiveness of the current safeguards for limiting such risks, including but not limited to:
    1. ongoing employee (including temporary and contract employee) training;
    2. employee compliance with policies and procedures; and
    3. means for detecting and preventing security system failures.
  - c) Developing security policies for employees relating to the storage, access and transportation of records containing personal information outside of business premises.
  - d) Imposing disciplinary measures for violations of the comprehensive information security program rules.
  - e) Preventing terminated employees from accessing records containing personal information.
  - f) Oversee service providers, by:
    1. Taking reasonable steps to select and retain third-party service providers that are capable of maintaining appropriate security measures to protect such personal information consistent with these regulations and any applicable federal regulations; and

Page 3 of 5

2. Requiring such third-party service providers by contract to implement and maintain such appropriate security measures for personal information; provided, however, that until March 1, 2012, a contract a person has entered into with a third party service provider to perform services for said person or functions on said person's behalf satisfies the provisions of 17.03(2)(f)(2) even if the contract does not include a requirement that the third party service provider maintain such appropriate safeguards, as long as said person entered into the contract no later than March 1, 2010.

- g) Reasonable restrictions upon physical access to records containing personal information, and storage of such records and data in locked facilities, storage areas or containers.
- h) Regular monitoring to ensure that the comprehensive information security program is operating in a manner reasonably calculated to prevent unauthorized access to or unauthorized use of personal information; and upgrading information safeguards as necessary to limit risks.
- i) Reviewing the scope of the security measures at least annually or whenever there is a material change in business practices that may reasonably implicate the security or integrity of records containing personal information.
- j) Documenting responsive actions taken in connection with any incident involving a breach of security, and mandatory post-incident review of events and actions taken, if any, to make changes in business practices relating to protection of personal information.

#### 17.04: COMPUTER SYSTEM SECURITY REQUIREMENTS

Every person that owns or licenses personal information about a resident of the Commonwealth and electronically stores or transmits such information shall include in its written, comprehensive information security program the establishment and maintenance of a security system covering its computers, including any wireless system, that, at a minimum, and to the extent technically feasible, shall have the following elements:

(1) Secure user authentication protocols including:

- a) Control of user IDs and other identifiers;
- b) A reasonably secure method of assigning and selecting passwords, or use of unique identifier technologies, such as biometrics or token devices;
- c) Control of data security passwords to ensure that such passwords are kept in a location and/or format that does not compromise the security of the data they protect;
- d) Restricting access to active users and active user accounts only; and
- e) Blocking access to user identification after multiple unsuccessful attempts to gain access or the limitation placed on access for the particular system;

(2) Secure access control measures that:

- a) Restrict access to records and files containing personal information to those who need such information to perform their job duties; and
- b) Assign unique identifications plus passwords, which are not vendor supplied default passwords, to each person with computer access, that are reasonably designed to maintain the integrity of the security of the access controls;

Page 4 of 5

- (3) Encryption of all transmitted records and files containing personal information that will travel across public networks, and encryption of all data containing personal information to be transmitted wirelessly.
- (4) Reasonable monitoring of systems, for unauthorized use of or access to personal information;
- (5) Encryption of all personal information stored on laptops or other portable devices;
- (6) For files containing personal information on a system that is connected to the Internet, there must be reasonably up-to-date firewall protection and operating system security patches, reasonably designed to maintain the integrity of the personal information.
- (7) Reasonably up-to-date versions of system security agent software which must include malware protection and reasonably up-to-date patches and virus definitions, or a version of such software that can still be supported with up-to-date patches and virus definitions, and is set to receive the most current security updates on a regular basis.
- (8) Education and training of employees on the proper use of the computer security system and the importance of personal information security.

**17.05: COMPLIANCE DEADLINE**

- (1) Every person who owns or licenses personal information about a resident of the Commonwealth shall be in full compliance with 201 CMR 17.00 on or before March 1, 2010.

REGULATORY AUTHORITY

201 CMR 17.00: M.G.L. c. 93H



Page 5 of 5

## Certification of Compliance with Massachusetts Security Regulation – 201 CMR 17.00

I, \_\_\_\_\_ {NAME OF AGENT}, do hereby represent and certify to Clear Spring LIFE AND ANNUITY COMPANY ("Clear Spring Life"), as follows:

- I am a duly appointed producer with Clear Spring Life who has, or intends to, submit business to the company on clients who reside in the Commonwealth of Massachusetts.
- As part of my appointment with Clear Spring Life, I have received, reviewed, a copy of Clear Spring Life's Business Guidelines and have specifically reviewed Appendix D of that document, concerning Privacy and Security of Residents of Massachusetts, and the complete text of Massachusetts Regulation 201 CMR 17.00 contained therein.
- With respect to all information collected by me or in my possession as part of my business activities on behalf of Clear Spring Life, which qualifies as "Personal Information" about a resident of the Commonwealth of Massachusetts (as such term is defined in 201 CMR 17.00), I hereby certify that I have, in all respects, complied with the requirements of that Regulation in terms of establishing and maintaining a comprehensive information security program, compliant with the standards set forth in Sections 17.03 and 17.04 of that Regulation.

I understand that, by affixing my signature to this document, I am certifying to my compliance in all respects with 201 CMR 17.00 as regards any Personal Information I either own or license on residents of the Commonwealth, and agree that Clear Spring Life may rely on this certification, if required to establish its own responsibility for legal compliance with this Regulation with regard to any Personal Information submitted to Clear Spring Life by me, as its appointed producer.

Signature of Agent/Producer \_\_\_\_\_

Print Name \_\_\_\_\_

Date Signed \_\_\_\_\_



# Agent Product Training

August 2022

General Agent Training 8.2022



# Agent Compliance Training

Suitability

Complaint Handling

Record Retention

Privacy

Anti-fraud & Anti-money Laundering (AML)



# Agent Suitability

## THE BEST INTEREST STANDARD:

The new normal in suitability standards

National Association of Insurance Commissioners (NAIC) encourages States to require insurance agents to “act in the best interest of the consumer when making a recommendation of an annuity”.

Producers should take steps to ensure that they are meeting and exceeding your obligations to your clients. These steps should include, but are not necessarily limited to:

- Exercise Care
- Disclosure
- Documentation

“Best interest” is evaluated situationally to determine if a agent acted in the best interest of the consumer under the circumstances known at the time the recommendation was made without placing the agent’s or insurer’s financial interest ahead of the consumer’s interest.

## Exercise Care

Take your time and be diligent.

- Make sure to know and understand the consumer's financial situation, insurance needs, financial objectives.
- Help your clients to fully understand the available recommendation options and how those options will meet their needs.
- Have a reasonable basis to believe the recommendation effectively addresses the consumer's financial situation, insurance needs, and financial objectives over the life of the product, as evaluated in light of the consumer profile information.
- Be able to communicate the basis for the recommendation to your client and to the insurer in a way that is clear, specific and easy to understand.

# Disclosure

- Check what forms are required.
- Know what disclosure forms are required in the state where the policy is sold and carefully review all state required disclosure with your clients.
- Depending on the state in which you are doing business this may include a disclosure of potential conflicts of interest. These forms are essential for the improvement of transparency between the producer, insurer, and the client.



# Documentation

- Show your work.
- No matter how much care you take with a client, if it is not reflected in the four corners of the application it will not be helpful.
- Taking the extra time to fully document your recommendation will not only help your applications to be processed faster, it can also create a clear record should the recommendation be challenged in the future.
- Ask yourself, would a third party who knows nothing about your client be able to look at the application and supporting documentation you are submitting and clearly understand the “why” behind your recommendation?

# Required Suitability Forms

The Clear Spring Life and Annuity Suitability form (SUITABILITY) is required for all clients, except residents of Florida.

The Florida Annuity Suitability Questionnaire (DFS-H1-1980) is the required form for clients who are residents of Florida, regardless of where the application was signed. In addition, if a Florida client's transaction is an annuity to annuity replacement, then we also require the Florida Disclosure and Comparison of Annuity Contracts form (DFS-H1-1981).

If a client is purchasing our annuity contract outside of their primary resident state, then our Non-Resident Sales Verification form is required (NON-RES FORM). However, if the client is a resident of New York, we will not accept the business, regardless of the state where the application is being solicited.

# Required Suitability Information

## CONSUMER'S SUITABILITY INFORMATION:

Minimum required information	
Age	Plans for retirement
Current and expected annual income	Risk tolerance
Current and expected financial situation and needs, including financial resources that will fund the annuity	Existing assets, including investment and life insurance holdings
Current and expected tax status	Financial experience
Current and expected liquidity needs	Financial objectives
Liquid net worth	Financial time horizon
Intended use of annuity	Other information required by state laws



All applications should be thoroughly documented, but there are certain cases that may require additional documentation. In these cases, provide as much information with the application as possible:

Suitability Data	High Risk Criteria
Age	Age is greater than 75 or greater than 65 in CA and FL
Income	Low household or discretionary income
Liquid Assets	Low liquid assets
Replacement	Source of funds are from an annuity or life insurance policy
Non-Natural Owner	Trust or other legal entity
Reverse Mortgage	The applicant has a reverse mortgage, or the source of funds is a reverse mortgage or home equity line of credit
Nursing Home and/or Terminal Condition	The applicant or applicant's spouse currently resides in a nursing home or plans to enter a nursing home in the next 6 months
Government Benefits	The applicant intends to apply for means-tested government benefits or is purchasing the product to qualify for government benefits
Sufficient Liquid Assets	The applicant does not have sufficient liquid assets available for monthly living expenses and emergencies other than the money planned to purchase the product applied for
Change in Expenses or Income	The applicant anticipates a significant increase in living expenses or a significant reduction in income or liquid assets during the term of the annuity

## Factors to Consider When Supporting a Recommendation

- How will the product fit into the client's overall financial picture?
- How will the product advance the client's financial goals?
- Does the application clearly show the "why" behind your recommendation?

# Replacements

## DEFINITION OF REPLACEMENT

Replacement means any transaction in which new life insurance or a new annuity is to be purchased, and that by reason of such transaction, existing life insurance or an existing annuity has been or is to be:

- Forfeited, surrendered or partially surrendered, assigned to the replacing insurer or otherwise terminated;
- Amended so as to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid; or
- Reissued with any reduction in cash value.

This definition ***does not*** apply to transactions involving:

- Application to the existing insurer
- When a contractual change or conversion is being exercised, or
- When the existing policy or contract is being replaced by the same insurer pursuant to a filed and approved program;
- Immediate annuities that are purchased with proceeds from an existing annuity contract. (NOTE: Annuities purchased with proceeds of an existing life insurance policy are considered replacements);
- Structured settlement annuities;
- New coverage provided under a life insurance policy or annuity contract where the cost is borne wholly by the insured's employer or by an association of which the insured is a member; or
- Annuity contracts used to fund ERISA pension or welfare benefit plans; employer established or maintained 401(a), 401(k) or 403(b) plans; government or church 414 plans; or government or tax exempt 457 plans are normally exempt unless plan participants may choose from two or more providers and there is direct solicitation of individual employees. (There are exceptions to this rule, please contact the Company for specific information.)



# Replacement Dos and Don'ts

Replacement activity should be considered only if the transaction is in the client's long-term best interest. In order to determine whether a replacement involving a Company policy or contract is in the client's best interest, the agent is expected to:

## Do...

- Disclose on the application or in other written form whether a replacement is involved;
- Fully explain any applicable fees or surrender charges and how they will be made up;
- Comply with applicable state and federal statutes and Company procedures including the Business Guidelines;
- Analyze each replacement to determine if it is appropriate for the client; and
- Provide the information necessary for the client to make an informed decision.

## Don't...

- Rely on vague generalities such as "better rates and caps" or "improve portfolio diversity" to support your recommendation;
- Reuse the same language on every application, every client's financial needs and circumstances are different, the applications you submit should reflect that;
- Try to conceal a replacement by transferring funds into a temporary account;
- Downplay potential disadvantages of a replacement or possible alternatives to replacement; and
- Forget that the client's best interest is the number one priority, and the replacement must be appropriate in light of the client's individual goals and objectives.



# Additional Tips for Suitability

- A separate Suitability Form is required for every application that is submitted.
- Liquid assets only include savings or checking accounts, CD's, money market accounts, any annuities or other financial products not subject to surrender penalties, and any stocks/bonds/mutual funds.
- The applicant must initial and date the suitability form(s) next to any change in order to confirm that the revisions are correct.
- The asset information should reflect the source of funds being used to purchase the annuity. If the funds are coming directly from a trust, list the trust's assets. If the funds are coming from an annuitant who is gifting the annuity to the trust, list the annuitant's assets.
- When in doubt, ask... [MARKETING@CSLMARKETING.COM](mailto:MARKETING@CSLMARKETING.COM) | 800.767.7749 | [CSLMARKETING.COM](http://CSLMARKETING.COM)

# Complaint Identification and Escalation

## What is a Complaint?

- **NAIC definition:** Any Complaint means a written communication primarily expressing a grievance.
- Verbal communication expressing a grievance which are received by the Company will also be escalated and handled as a Complaint.
- Any communication where the Customer is unhappy with the Company's or any appointed agent's service, believes there was an error in processing, or threatens to take legal action or file a Complaint with the department of insurance, any other regulatory or state or federal office or any newspaper, television station or other media outlet.

### DUTY TO REFER COMPLAINTS TO THE COMPANY

- **ESCALATE** all customer complaints to GL Marketing and NEVER dissuade or attempt to dissuade a customer from filing a complaint. Report all complaints in writing to:

Clear Spring Life Life and Annuity Company  
Attn: Compliance Department  
401 Pennsylvania Parkway, Suite 300  
Indianapolis, IN 46280

### DUTY TO RESPOND TO COMPANY INQUIRY ABOUT COMPLAINTS

- **RESPOND** promptly when the Compliance Department contacts you regarding a complaint.
- The agent should be detailed in their response and include any fact-finding or needs-based selling documentation in the file, sales/marketing materials used and a delivery receipt.

# Record Retention

**Producers are required to maintain and promptly make available upon request all client information collected regardless of whether the client elected to purchase a policy. These include:**

- Original sales proposals;
- A copy of any needs analysis completed during the solicitation;
- A copy of any sales material and advertisements used during the sales process;
- Any written correspondence to or from the applicants/contract owners regarding the solicitations, issuance of the contract or subsequent service of the contract;
- Documentation of phone calls to or from the applicants/contract owner addressing the above issues;
- Notes from meetings with the applicants/contract owner; and
- A copy of the signed delivery receipt.

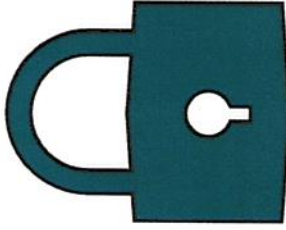
State regulations vary regarding the length of time that client files are to be maintained. However, a general rule of thumb is to maintain all active client files indefinitely and all inactive client files for seven (7) years.



# Privacy

We share a commitment to protect the privacy and confidentiality of personal and financial information. The three basic points of our Privacy Policy are as follows:

- **COLLECT** only the client information necessary to consistently deliver responsive products and services.
- **MAINTAIN** safeguards designed to ensure information security.
- **LIMIT** how, and with whom, we share client information.



Retain all customer records in a secure location whether in a secure physical or electronic file.

Read and adhere to the Clear Spring Life Life written privacy notice and other privacy disclosures. View the Privacy Notice here: [https://Clear Spring Lifelife.com/privacy-policy](https://ClearSpringLifelife.com/privacy-policy)

Immediately report any incidents to Clear Spring Life Life at [GLACCompliance@group1001.com](mailto:GLACCompliance@group1001.com)

# Anti-Fraud & Anti-Money Laundering (AML) Red Flags

We have a fiduciary responsibility to our clients to identify and prevent fraudulent activity. There is high reputational risk if we're not able to protect our clients, and a chance for significant financial losses.

**With the increasing number of fraudulent activities in the marketplace, please report any of these red flags to your AML Contact:**

- Client wishes to engage in transactions that appear to lack business or economic rationale or investment strategy, or are inconsistent with the party's previously stated business or investment strategy
- Client exhibits a lack of usual concern regarding risks, commissions, or other transaction costs or fees
  - Examples: loans, investments, or insurance policies cashed in at a significant loss or surrender charge
- A party appears to be acting as an agent for an undisclosed principal, but declines or is reluctant to provide information or is otherwise evasive regarding that person or entity
- Client makes a funds deposit or wire transfer to an account held with the Company followed by an immediate request that the money be wired out or transferred to a party or to another firm
- There is negative news or information about a party in a transaction regarding possible criminal, civil, or regulatory violations
  - Examples: funds are generated by a business owned by, or involving, persons from high risk countries
- Client requests that a payment be made to a different account or to an unknown party
- Client makes frequent or repeated requests to redeem funds just after investing
- Client refuses to provide information or provides false information as part of Know Your Customer due diligence
  - This could include the inability to identify and verify the ultimate beneficial owner behind an entity, or a company with a complex ownership structure that is reluctant to provide beneficial ownership.



## Know Your Customer

At a minimum, Know Your Customer Due Diligence should include the following precautions:

- Establish a reasonable basis for knowing and understanding the nature of the party's business and source of funds or income
- Follow review and approval procedures for new parties. Clear Spring Life Life and Annuity requires all trusts and non-natural owners complete and submit the KYC Questionnaire and Certification for Contract Applicants, Owners, Payees and Beneficiaries.
- Follow risk-based enhanced due diligence for high-risk parties and escalate to your AML Compliance Contact and the Global AML Head for approval.

## Anti-Fraud & AML Requirements



## Know Your Customer

Follow review and approval procedures for new parties, as required by your business unit.

- To help the government fight the funding of terrorism and money laundering activities, the laws of the US and other relevant authorities require all financial institutions to obtain, verify and record information that identifies each person with whom they do business as a condition to doing such business.
- To comply with these requirements and to avoid relationships with parties involved in money laundering, terrorism or other illicit or corrupt activities, or who are subject to sanctions, we require that trusts and other non-natural owners such as corporations, LLC's, or other similar entities complete and submit our KYC Questionnaire and Certification for Contract Applicants, Owners, Payees and Beneficiaries when applying for any Contract issued by the Company, and periodically thereafter as requested by the Company.

# Anti-Fraud & AML Requirements

## Know Your Customer

When completing the questionnaire, the client should focus on including the:

- contract number, reason for completing the form, person completing the form, full legal name of the non-natural owner, address, Tax ID number, industry/nature of business, legal entity type, information of annuitant/trustee (or the like), and verification documents for that individual as requested and described within the questionnaire (trust documents, W9, driver's license).
- source of funds and other business activities.

The questionnaire must be signed and dated. Follow risk-based enhanced due diligence for high-risk parties and escalate to your AML Compliance Contact and the Global AML Head for approval.

## Anti-Fraud & AML Requirements



\_\_\_\_\_

General Agent Training 8.2022



# Anti-Fraud & AML Reporting

## Report Suspicious Activity

- If you identify any of the red flags listed in this training, or other potential suspicious activity, you must escalate to your AML Compliance Contact, who will notify the Global AML Head
- You must also escalate any AML-related requests by government regulators or law enforcement
- Failure to promptly escalate such requests could expose the Company to risk
- Disclosing a Suspicious Activity Report investigation or filing is prohibited
- Our complete Anti-Money Laundering Policy, Business Guidelines and Privacy Policy can be found in the Training Toolkit in the Agent Portal at [www.ClearSpringLife.com](http://www.ClearSpringLife.com)

### Training & Services

Videos, webinars, and other helpful information



# Preserve Multi-Year Guaranteed Annuity

The Preserve Multi-Year Guaranteed Annuity ("Preserve") is a single premium, deferred annuity that offers multiple guarantee periods. The guarantee periods range from 3-10 years.

## Premiums

Minimum \$5,000 Qualified / \$10,000 Non-Qualified Maximum \$1,000,000

## Key Features

- Issue Ages from 0-90
- Tax-Deferred Growth
- May Avoid Probate
- Penalty-Free Withdrawals
- Nursing Home Care Rider\*
- Terminal Illness Rider\*
- Full Account Value At Death
- Annuitization Options

\*To meet the criteria for any of these riders, the contract must be in force for a minimum of one year; eligibility is subject to rider provisions as stated in the contract. Some state variations apply. The Nursing Home Care Rider is not available in Massachusetts.

# ProOption Multi-Year Guaranteed Annuity w/ROP

The ProOption Multi-Year Guaranteed Annuity with Return of Premium ("ProOption") is a single premium, deferred annuity that offers multiple guarantee periods (5, 7, 10 year options) that also has a Return of Premium feature. The Return of Premium feature allows your client(s) to surrender the contract at anytime and receive their full premium back less any prior withdrawals including interest withdrawals. Please note that if the contract is surrendered during the contract term, your client(s) will forgo any interest that was earned during the contract term.

The interest rates credited during the initial term of the contract will increase each year on the contract anniversary. This applies to the first term only. These rates are guaranteed for the initial term. Future terms will receive a level guaranteed rate for each renewal term, which will be set by the company upon renewal.

## Premiums

Minimum \$5,000 Qualified / \$10,000 Non-Qualified

Maximum \$1,000,000

## Key Features

- Issue Ages from 0-90
- Tax-Deferred Growth
- May Avoid Probate
- Nursing Home Care Rider\*
- Terminal Illness Rider\*
- Full Account Value At Death



# Liquidity Options for the Preserve and the ProOption

The Preserve and ProOption may offer liquidity options for your client(s). Including:

- One withdrawal per policy year equal to 10% of the previous anniversary account value in Year 2 and later.
- Systematic withdrawals including interest as earned or automatic Required Minimum Distribution payments “RMD” for qualified plans. RMDs are available during the first contract year without a surrender charge.

### Option One

The owner may decide to renew the contract for the same guaranteed period. The contract will earn a new stated interest rate at that time. State variations may apply.

### Option Two

The owner may decide to annuitize the contract for a minimum of five years. State variations may apply.

### Option Three

The owner may decide to withdraw all or a portion of the contract, without a surrender charge or MVA.

# End of Guarantee Period Options

\*Option One is not available to contracts issued in DE.

# End of Guarantee Period Options | Non MVA

When the Preserve and ProOption have reached the end of their initial guaranteed period in the state of Delaware the owner has the ability to:

- 1) Withdraw their funds without a surrender charge;
- 2) Annuitize the contract;
- 3) Renew their contract for a one-year term at the then current offered rate. The contract is fully liquid during the one-year renewal term.

Please note that there are reduced commissions in the state of Delaware. Please contact an Internal Sales Representative for a Non-MVA Commission Schedule.



## Nursing Home Care Rider

Waiver of surrender charges and MVA:

- Contract purchased prior to Owner's 76<sup>th</sup> Birthday and contract has been in force for at least one year (during which time the Owner has not been confined to a nursing home);
- After which date the Owner must have been confined to a nursing home for 90 consecutive days.
- Owner may request by written notice to make full surrender or partial withdrawals (\$1,000 minimum).

## Terminal Illness Rider

Waiver of surrender charges and MVA:

- Any medical condition which a physician certifies has reduced the owner's life expectancy to 9 months or less; or
- Owner diagnosed with a heart attack, stroke, or life threatening cancer after policy was purchased, in force for at least one year and owner isn't older than age 70.
- Owner may request by written notice to make full surrender or partial withdrawals (\$1,000 minimum).

Please note: State Variations May Apply

This is a summary of the Nursing Home Care Rider/Terminal Illness Rider. The provider of the Riders and the Contract should be consulted. If there is any variation between this summary and the Rider, the provisions of the Rider and Contract will govern.

General Agent Training 8.2022

# Available Riders

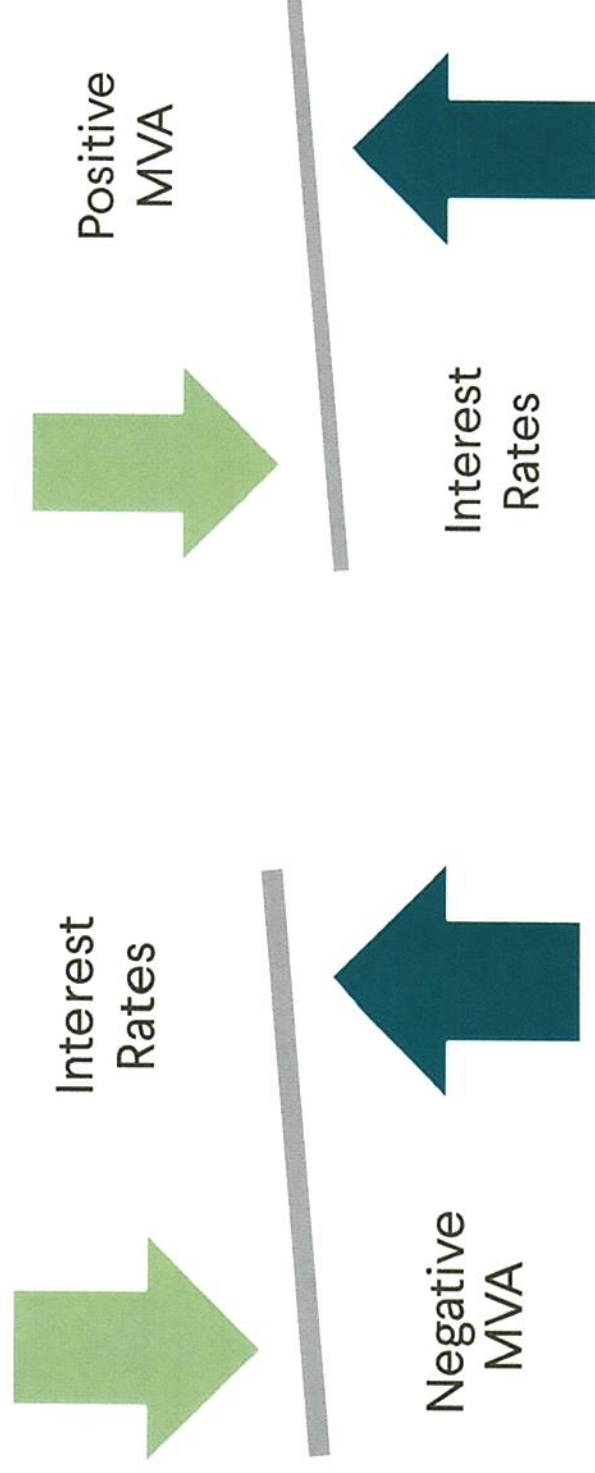
# Surrender Charge Schedule

Year	1	2	3	4	5	6	7	8	9	10
3-Year	7%	6%	5%							
4-Year	7%	6%	5%	4%						
5-Year	7%	6%	5%	4%	3%					
6-Year	7%	6%	5%	4%	3%	2%				
7-Year	7%	6%	5%	4%	3%	2%	1%			
8-Year	7%	6%	5%	4%	3%	2%	1%	1%		
9-Year	7%	6%	5%	4%	3%	2%	1%	1%	1%	
10-Year	7%	6%	5%	4%	3%	2%	1%	1%	1%	0.75%

Surrender Charge  
Schedule

# Market Value Adjustment

Clear Spring Life Life's deferred annuity products contain a Market Value Adjustment ("MVA").



Please note: contacts issued in DE do not contain an MVA.

General Agent Training 8.2022



# Preserve and ProOption State Variations

State	Contract Variation
Delaware	This state does not contain a Market Value Adjustment and is unable to renew for a subsequent term.
Massachusetts	Nursing Home Care Rider not offered
Vermont	Life expectancy for the Terminal Illness rider is 24 months or less
Florida	The minimum annuitization is 10 years.
Texas	Contains the Waiver of Surrender Charge Rider in lieu of the Terminal Illness Rider

# Provider Single Premium Immediate Annuity

The Provider Single Premium Immediate Annuity ("Provider") is a single premium, immediate annuity that produces an income stream upon issue of the contract. A lump sum of money is immediately converted into a reliable and predictable stream of income.

## **We offer multiple payout options to fit your clients' needs.**

- Life Only
- Life with Period Certain
- Joint Life with 100% Survivorship
- Joint Life with 100% Survivorship with Certain Period
- Certain Periods from 5-20 years
- Cost-of Living Adjustment ("COLA") only available with Certain Period Options

**The Provider SPIA can be issued up to age 95 for both qualified and non-qualified contracts.**

Please note: Life Only options are limited to owners 70 years of age or younger. Joint Life Only options are limited to owners age 80 years of age or younger.

# Provider Single Premium Immediate Annuity

- We offer a 30-day free look period in all states.
- Multiple sources may be used to fund this contract; please indicate on the New Business Transmittal Form your client(s) desire that the contract be issued after all funds have been received.
- Your client(s) may choose to receive their periodic payments monthly, quarterly, semi-annually or annually. The minimum purchase premium amount must support a periodic payment of \$100. We will accept a maximum purchase premium amount of \$1,000,000.
- Please contact an Internal Sales Representative if you have a client who is interested in purchasing the Provider Single Premium Immediate Annuity for an amount greater than \$1,000,000.

Please note: Annual payments will begin one year after the contract is issued.



## IMPORTANT INFORMATION

This material is for informational or educational purposes only, and is not a recommendation to buy, sell, hold or rollover any asset. It does not take into account the specific financial circumstances, investment objectives, risk tolerance, or needs of any specific person. In providing this information, Clear Spring Life Life and Annuity Company (d/b/a Clear Spring Life Life and Annuity Insurance Company in California) ("Clear Spring Life Life") is not acting as your fiduciary as defined by the Department of Labor.

Clear Spring Life Life, whose office is located at 401 Pennsylvania Parkway, Suite 300, Indianapolis, Indiana, issues the Preserve Multi-Year Guaranteed Annuity on form number GLA-MYGA-01, the ProOption Multi-Year Guaranteed Annuity on form number GLA-MYGA-01, and the Provider Single Premium Immediate Annuity on form number GLA-SPIA-01, or variations of such. These annuity products and/or certain product features may not be available in all states. Clear Spring Life Life is not licensed in New York.

This material is intended for insurance agent use only and is not intended for use with the public.

© 2022 Clear Spring Life Life and Annuity Company. All rights reserved. GEN072011

**CSL Marketing**  
**800-767-7749**  
**[marketing@clslmarketing.com](mailto:marketing@clslmarketing.com)**

You have completed the Clear Spring Life  
General Agent Training.

You may proceed to the Fixed Indexed  
Annuity Training.

Thank you

---

I acknowledge that I have completed the Clear Spring Life and Annuity Company general agent training.

\_\_\_\_\_  
Agent Name

\_\_\_\_\_  
Agent Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date





## Debit-Check Agent/Agency Authorization Form

Vector One Operations, LLC dba Vector One (collectively with its affiliates, "Vector One") manages the secured web portal interactive computer service provided by Debit-Check.com, LLC a ("Debit-Check"). This Debit-Check Agent/Agency Authorization Form is by and among the undersigned ("you", "me", "I" or "my"), Vector One, and the Company (as defined below) and is used by Debit-Check subscribers who desire to be granted authorization from you for the submission and/or receipt of your personal information to the Debit-Check service as necessary to conduct a commission related debit balance screening. The undersigned company and its affiliates and authorized third parties (collectively, the "Company") is a Debit-Check subscriber. Accordingly, as part of the contracting and appointment process or determination of eligibility for advancement of commissions, the Company may conduct a commission related debit balance screening via Debit-Check in order to determine your eligibility and may continue to conduct periodic commission related debit balance screenings as determined in the Company's sole discretion following the engagement of any employment, appointment, contract, tenure, or other relationship with the Company.

**Access to Debit-Check Information:** You can obtain your commission related debit balance information by contacting the Vector One Agent Hotline at (800) 860-6546.

### AGENT/AGENCY'S STATEMENT – READ CAREFULLY

The Company is hereby authorized to obtain and conduct a commission related debit balance screening through Vector One's Debit-Check secured web portal to determine if another Debit-Check subscriber has posted that I have an outstanding commission related debit balance. I understand that the Company may consider the results of the commission related debit balance screening in order to determine my eligibility to be contracted and appointed or determine my eligibility for advancement of commissions as an insurance producer and may continue to conduct periodic commission related debit balance screenings as determined in the Company's sole discretion following the engagement of any employment, appointment, contract, tenure, or other relationship with the Company. I understand and acknowledge that the Company may obtain commission related debit balance information through Debit-Check as state law allows. I understand that my information, including my name and social security number ("My Information") may be used for the purpose of obtaining and conducting a commission related debit balance screening. I further understand that in the event of termination or expiration of my employment, appointment, contract, tenure, or other relationship with the Company, whether voluntary or involuntary, if a commission related debit balance is owed to the Company, the Company may post My Information to the Debit-Check service which may be accessed by Debit-Check subscribers until such time the debit balance is satisfied or otherwise removed.

#### BY SIGNING BELOW, I HEREBY (PLEASE INITIAL ALL STATEMENTS):

(A) \_\_\_\_\_ Authorize the Company to use My Information for purposes of conducting a commission related debit balance screening, and periodic commission related debit balance screenings as determined in the Company's sole discretion following the engagement of any employment, appointment, contract, tenure, or other relationship with the Company, utilizing Debit-Check.

(B) \_\_\_\_\_ Authorize the Company to consider the results of the commission related debit balance screening in order to determine my eligibility to be contracted and appointed or determine my eligibility for advancement of commissions as an insurance producer.

(C) \_\_\_\_\_ Authorize and direct Vector One to receive and process My Information as necessary to intentionally disclose and furnish the results of my commission related debt verification screening, whether directly or indirectly, to the Company.

(D) \_\_\_\_\_ Authorize the Company to submit My Information to the Debit-Check service in the event of termination or expiration of my engagement with the Company, whether voluntary or involuntary, to the extent a commission related debit balance is owed to the Company.

(E) \_\_\_\_\_ Authorize and direct Vector One to receive and process My Information and intentionally disclose to any Debit-Check subscriber who submits an inquiry utilizing My Information the results of my commission related debit balance screening, which will contain My Information, to the extent a debit balance is owed.

**Agent/Agency Printed Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

#### FOR COMPANY USE ONLY

##### AGREED AND ACKNOWLEDGED BY COMPANY:

Name of Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Name and Title: \_\_\_\_\_



PO Box 80509 Indianapolis, IN 46280 | 800.767.7749 | CSLMARKETING.COM

## DIRECT DEPOSIT AUTHORIZATION FORM

Agent Name \_\_\_\_\_ Agent Writing Number \_\_\_\_\_

I hereby authorize Clear Spring Life Marketing, LLC ("CSL Marketing") to credit entries to my account in the financial institution named below and I authorize the institution to accept and to credit the amount of such entries into my account. If funds that I am not entitled to are deposited into my account, I authorize CSL Marketing to direct the financial institution to return said funds.

I attest that I am an authorized signer for the account listed below, which is either my personal or business account. Furthermore, I agree to indemnify and hold CSL Marketing harmless from any and all claims, liability, costs and expenses including reasonable attorneys' fees and collections, arising out of their reliance on these representations and warranties.

### Financial institution

\_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone Number \_\_\_\_\_ Fax Number \_\_\_\_\_ Website \_\_\_\_\_

### Account Information

Name on Account: \_\_\_\_\_

Authorized Signer(s) \_\_\_\_\_

Routing Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Type ☐ Checking ☐ Savings

This authorization is to remain in full force and effect until written notification is received from me of its termination in such time and manner as to afford CSL Marketing a reasonable opportunity to act upon it.

This form dated at \_\_\_\_\_ City/State \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Signature of Agent \_\_\_\_\_ Taxpayer ID Number \_\_\_\_\_ Telephone Number \_\_\_\_\_

**We must have a copy of a voided check to establish ACH commission deposits: Attach Here**



**Request for Taxpayer  
Identification Number and Certification**  
Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Give form to the  
requester. Do not  
send to the IRS.

**Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1	Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)	
	2	Business name/disregarded entity name, if different from above.	
	3a	Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.  <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate  <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . . <b>Note:</b> Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.  <input type="checkbox"/> Other (see instructions) _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____  (Applies to accounts maintained outside the United States.)
	3b	If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . <input type="checkbox"/>	
	5	Address (number, street, and apt. or suite no.). See instructions.	Requester's name and address (optional)
	6	City, state, and ZIP code	
	7	List account number(s) here (optional)	

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>	
<div></div>	<div></div>
<b>or</b>	
<b>Employer identification number</b>	
<div></div>	<div></div>

**Part II Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person	Date
	<div></div>	<div></div>

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

**What's New**

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they