



**Market Conduct
&
Compliance Guide**

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Introduction

This Market Conduct & Compliance Guide (“Guide”) is applicable to the sale of all insurance products issued by MassMutual Ascend Life Insurance Company (“MMALIC”) (the “Company”). Compliance with this Guide is required under your Agent’s Agreement, which sets forth additional duties and provisions regarding agent conduct.

Questions and Exceptions

If you are contracted with MMALIC, questions regarding the topics and issues in this Guide may be referred to your supervising general agent or managing general agent or you may call the Sales Support Team at (800) 438-3398, extension 11999. Any exceptions to the requirements set forth in this Guide must be in writing and can only be granted by the Company’s Chief Compliance Officer (“CCO”).

Purpose and Limitations

Nothing in this Guide is intended to create a contract of employment or representation. This Guide is informational in nature and, among other things, outlines the Company’s market conduct practices and procedures. It does not set forth all of the Company’s rules and regulations on this and other topics. It is intended to supplement, but does not supersede, your Agent’s Agreement with the Company. Any discussion of the law or legal requirements set out in this Guide reflect the Company’s current understanding and is not intended as legal advice. Applicable laws and regulations vary from state to state, and you should be familiar with those that apply to you. If you have any questions about the rules and regulations, you are encouraged to discuss them with your legal advisor.

The instructions, classifications and guidelines contained in this Guide are to be followed until modified or rescinded by the Company’s CCO. The Company reserves the right to modify or rescind its rules and regulations as well as its practices and procedures, including those published in this Guide, at any time.

Expectations of Insurance Professionals

Fair Competition

To help ensure that the customer’s best interests are being met, it is imperative that you engage in fair

and honest competition at all times.

Fair and honest competition is based on many criteria like price, quality and service, and is governed by federal and state antitrust laws and state insurance laws and regulations, especially those relating to trade practices in the business of insurance. Focusing on fair and honest competition helps assure that you will:

- Make fair and balanced comparisons between the Company’s products and those of its competitors;
- Identify certain negative practices that should be eliminated, such as inappropriate replacement or the sale of an unsuitable product;
- Avoid making false or misleading statements about competitors and refrain from criticizing them or their products in an inappropriate manner; and
- Help ensure that the customer makes a fully informed decision at the time of sale.

You must not mislead a customer by making dishonest, false or fraudulent statements about a product you are marketing or that of a competitor. Some unfair competition practices have been specifically identified and addressed in various antitrust and trade practices related laws and regulations, including, but not limited to, the NAIC Model Unfair Trade Practices Act. Some prohibited practices include:

- Imposing an unreasonable restraint of trade;
- Making false/fraudulent statements;
- Criticizing other companies’ ratings;
- Redistributing articles prepared by sources outside the Company;
- Repeating rumors or stating as fact unofficial reports;
- Making incomplete or misleading comparisons;
- Making incomplete, inaccurate, or irrelevant statements about a competitor’s financial condition;
- Disseminating false or misleading advertising or information; and
- Misrepresenting the terms of any policy or annuity contract, including those of a competitor.

The Company prohibits its agents and employees involved in the sales process from making false, misleading, inappropriate or derogatory statements about a competitor, their representatives or their

products. Violations of this policy may result in disciplinary action including the immediate termination of your Agent's Agreement.

Ethical Behavior

As an agent of the Company, you must act with the utmost fairness, integrity and honesty in all your dealings with the customer and in promoting the highest standards of customer service and satisfaction.

To represent the Company with regard to the sale of its annuity products, you must vigilantly look out for the best interests of the customer and adhere to the following criteria when representing the Company in the sale of its products and servicing its policyholders:

- Treat the customer as you want to be treated;
- Be thoroughly familiar with the Company products in order to present accurately and fully the conditions and terms of any such products being offered;
- Comply with all applicable state and federal laws and regulations, including those relating to suitability, training and continuing education requirements, replacement, the business of insurance and fair competition;
- Conduct all business with honesty, fairness and integrity;
- Recommend products that you reasonably believe are appropriate and suitable to the customer's unique needs, retirement plans, tolerance for risk and financial situation without basing a recommendation on any self-interest or gain;
- Make a reasoned analysis of the customer's needs and objectives before making any recommendations, which should be based on your careful, disinterested professional analysis of all relevant and pertinent data;
- Present information to the customer in a way that he or she can easily understand; and
- Fully disclose all information that is relevant and material to the transaction so that the consumer can make an informed decision.

You should make sure that the consumer is educated concerning the short term and long term features, benefits and potential drawbacks of the products presented. To do so, you must present all required disclosures in an organized and meaningful

way.

Under no circumstances may you focus your sales activity on inappropriate or disparaging allegations about other life insurance companies or their products. Comments about the competition must be based on factual knowledge and on true, complete and accurate comparisons of features and benefits.

Trusts

Trusts are becoming more common for estate and financial planning. While it is proper for agents to be familiar with trusts and to make their customers aware of the existence of such options, any direct activity such as an explanation of the law, preparation or execution of trust documents must be handled by a lawyer retained by the customer or by a properly qualified and licensed individual. The Company does not endorse the solicitation, counseling or preparation of trusts by an agent unless such agent is properly qualified, licensed and has met any and all state requirements related to providing such services.

You should be particularly cautious when making your clients aware of living trusts as a financial planning tool. While a living trust is a valuable planning mechanism in certain circumstances, mass distribution of this concept is not appropriate.

Trust related annuity sales have been the focus of private and government litigation against mass marketers of living trusts. The litigation has focused on the marketing of living trusts as a door-opener for the sale of annuities. The Company does not endorse the use of presentations regarding trusts in connection with the sale of its products, and has consistently held the position that the inappropriate use of trusts in conjunction with the sale of its products will not be tolerated.

Consistent with this position, the Company has implemented the following procedures:

- The Company will accept business involving a trust regardless of the trust's effective date. If a trust is the owner, then it must be the sole primary beneficiary. If the trust is not the owner, then it does not need to be the sole primary beneficiary.
- If your business involves the use of trusts, you may be asked to provide information regarding your business practices.
- You must clearly explain to your clients that the purchase of an annuity contract is in no way required in conjunction with the

establishment of a trust and that the fees, costs and expenses associated with the establishment of a trust are independent of any premium paid for the purchase of the annuity contract.

- The Company will require an executed copy of its Trust Certification and Agreement form, signed by the authorized trustee(s) whenever an annuity contract will involve a trust as owner or beneficiary. If the annuity contract will be owned by an irrevocable trust, the Company will also require its Irrevocable Trust Addendum.

The Company may require additional documentation and may, if warranted, deny an annuity purchase request or allow rescission if it determines that a trust used in conjunction with an annuity contract is inappropriate. If you are the lawyer who prepared the trust, or if you serve as a witness or notary for a trust or in any role that creates a conflict of interest (such as trustee, successor trustee, beneficiary or attorney-in-fact) this is an indication to us that the use of the trust may be inappropriate.

Sales Illustrations

Using a sales illustration is a good way of showing customers how their money could potentially grow. When presenting a sales illustration to a customer, it is important that you clearly explain to the customer what each section and column means. Make sure you tell your customers that those sections not labeled as guaranteed are projections of how a contract can perform. Projections never guarantee the actual performance of how an annuity contract or insurance policy will perform. You must emphasize to your customers that sales illustrations contain projections based on current interest rates, certain non-guaranteed elements and other expenses. Any illustration you present to a customer must be in compliance with all applicable laws and regulations.

Sales Practices

Disclosing Your Status

Prior to commencing an insurance sales presentation, you shall inform the prospective purchaser that you are acting as a life insurance and/or annuity agent and identify the Company or Companies you represent. You shall not offer to sell any life insurance or annuity contract in any capacity other than that of a duly licensed insurance agent. You may use terms such as “insurance

agent,” “insurance specialist” and “insurance professional” to describe your services. Use of any other term or designation must include proof of certification and be approved in advance in writing by the Company. To request authorization to use a title or designation, please visit the agent website at <https://mybusiness.massmutualascend.com> and navigate to Training/Compliance Resources/Advertising and Sales Practices.

If authorized by the Company to use another term such as “financial planner” or “investment advisor,” you shall not do so in a way as to imply that you are primarily engaged in an advisory business in which compensation is unrelated to sales, unless such is actually the case. For example, you may not refer to yourself as a “financial planner” unless you charge for financial planning services unrelated to the commissions received from the sale of insurance products. You are solely responsible for any compensation disclosure requirement due to you being compensated by the client.

Conduct Standards – Suitability / Best Interest

As a general rule, the Company will only accept applications for annuity products that you recommend to your client. Recommending an annuity product, however, triggers certain duties and obligations under state law. States have adopted one of two general standards – Suitability or Best Interest. Under Suitability, you must only recommend a product that you have reasonable grounds for believing is suitable for your client. Under Best Interest, you must act in your client’s best interest under the circumstances known at that time and without placing your or the insurer’s financial interests ahead of the client’s interests when making an annuity recommendation. It’s your obligation to know what standard applies when making an annuity recommendation. Each standard is discussed in more detail below.

Suitability Standard

You may only recommend annuity products that you have reasonable grounds for believing are suitable for your customers. Such recommendations must be made upon the basis of the facts disclosed by the consumer as to his or her investments and other insurance products, and as to his or her financial situation and needs. Before making a product recommendation to your client, you must know and document the following about your client:

- Age;
- Annual Income;
- Financial situation and needs;
- Financial experience;
- Financial objectives;
- Intended use of the annuity;
- Financial time horizon;
- Existing assets including investment and life insurance holdings;
- Liquidity needs;
- Liquid net worth;
- Risk tolerance;
- Tax status; and
- The existence of a reverse mortgage.

You must make a reasonable effort to obtain all of the above information from your client.

When making a recommendation to a client to purchase, exchange or replace an annuity contract, you must also have a reasonable basis to believe that:

- The product, as a whole, is appropriate based on your knowledge of the product's features, benefits and charges through product training you have completed, and reference to product information guides, materials and other Company provided resources;
- The consumer has been reasonably informed of various features of the annuity, such as
 - The potential surrender period and surrender charge;
 - Potential tax penalty if the consumer sells, exchanges, surrenders or annuitizes the annuity;
 - Mortality and expense fees, if any;
 - Investment advisory fees, if any;
 - Potential charges for, and features of, any riders;
 - Any limitations on interest returns, insurance and investment components; and
 - Market risk
- The consumer would receive a tangible net benefit from certain features of the annuity, such as tax-deferred growth, annuitization payments, the death benefit or living benefit features.

Consistent with the Company's policy, you must only recommend products that satisfy the customer's insurance needs or financial objectives and which can be purchased consistent with his or her financial condition and willingness to accept risk. Fact-finding tools can assist you in gathering the necessary and appropriate suitability information to make a recommendation consistent with the customer's goals and resources. Accordingly, the Company encourages you to use such tools in connection with each of your sales.

Fact-finding tools are analytical and information-gathering mechanisms, and include, but are not necessarily limited to, questionnaires, financial plans, customer profiles, capital needs or financial need analyses. Remember that the purpose of a fact-finding tool is to gather sufficient suitability information to allow you to discover and assess your customer's insurance and other needs. [For non-qualified and IRA annuity product sales in all states except New Jersey, the Company requires your use and submission of a fully completed Client Financial Disclosure Information \(CFD\) form. For sales occurring in the state of New Jersey, the Company requires your use of the CFD form for all annuity product sales.](#) The CFD form has been patterned after the Suitability in Annuity Transactions Model Regulations promulgated by the National Association of Insurance Commissioners ("NAIC"). The CFD form will help you capture and analyze customer's suitability information. (For sales in Florida, the Company requires the use and submission of the Florida Annuity Suitability Questionnaire until 01/01/2024.)

In addition to fact-finding tools, you are required to use your specialized knowledge and training in order to match a customer's needs and objectives with an appropriate product. As a general matter, you should not recommend a product to a customer unless you have undertaken sufficient fact-finding to develop a recommendation consistent with the customer's insurance, personal and/or business objectives.

The same fact-finding tools may be utilized for multiple recommendations to the same customer. However, you must check to ensure that information contained on the tool is up-to-date and that the information on the application and supplemental forms is complete, accurate and consistent with the information gathered during the fact-finding process.

At the time of sale you should make a written note

of any product recommendation(s) you make and keep such note in your client file. You must also comply with any record retention requirements regarding documentation associated with the product recommendation.

It is your responsibility to be aware of, and to comply with, all applicable suitability laws and regulations that apply to you. Consistent with that responsibility, you may not dissuade or attempt to dissuade a client from truthfully responding to the Company's request for confirmation of suitability information, filing a complaint, or cooperating with the investigation of a complaint.

Minnesota sales to clients age 65 and older that may incur a surrender charge and that do not provide the client a substantial financial benefit over the life of the annuity will be declined.

Indiana agents shall make no recommendations to an applicant to purchase a variable life insurance policy and no variable life insurance policy shall be issued in the absence of reasonable grounds to believe that the purchase of such policy is not unsuitable for such applicant on the basis of information furnished after reasonable inquiry of such applicant concerning the applicant's insurance and investment objectives, financial situation and needs, and any other information known to the insurer or to the agent making the recommendation.

Best Interest Standard

When recommending an annuity product, you must act in the customer's best interest under the circumstances known at that time without placing your or the insurer's financial interest ahead of the customer's interest. You act in your customer's best interest when you satisfy four specific obligations: care, disclosure, conflict of interest and documentation.

Care Obligation

The care obligation has four specific duties. Meeting each of these duties requires you to exercise reasonable diligence, care and skill. The first duty is to build a financial profile that addresses your customer's financial situation, insurance needs and financial objectives by gathering the following:

- Age;
- Annual income;
- Financial situation and needs, including debts and other obligations;
- Financial experience;

- Insurance needs;
- Financial objectives;
- Intended use of the annuity;
- Financial time horizon;
- Existing assets or financial products, including investment, annuity and insurance holdings;
- Liquidity needs;
- Liquid net worth;
- Risk tolerance, including willingness to accept non-guaranteed elements in the annuity;
- Financial resources used to fund the annuity; and
- Tax status.

For non-qualified and IRA annuity product sales, the Company requires your use and submission of a fully completed Client Financial Disclosure (CFD) form. The CFD form has been developed to create a client profile that captures all required data elements. The client profile reflected in a completed CFD will help you identify the annuity that best addresses your client's unique circumstances, insurance needs and financial objectives.

The second duty is to understand the available annuity product options that you are licensed to sell from the life insurers that you are contracted to represent. This means that you understand a product's features, benefits and charges through product training you have completed, and reference to product information guides, materials and other annuity product resources provided by us and the other companies you represent.

The third duty is to select from the available options and recommend the annuity product that you believe will effectively address the customer's financial situation, insurance needs and financial objectives over the life of the product in light of the customer's financial profile.

Finally, you must communicate the basis for the annuity product you're recommending.

If the recommendation will involve the exchange or replacement of an annuity, you must consider the whole transaction, which includes not only the duties discussed above, but the impact of the following:

- Whether the customer will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing

benefits such as a death, living or other contractual benefits, or be subject to increased fees or charges;

- Whether the replacing annuity product over the life of such product will substantially benefit the customer in comparison to the replaced product; and
- If the customer had another annuity exchange or replacement, and in particular an exchange or replacement within the preceding 60 months.

Disclosure Obligation

Your relationship with your client

This disclosure obligation requires you to discuss the scope of the products you are authorized to sell and how you will be compensated for your services. This disclosure must occur prior to the recommendation of an annuity and must be done in writing using a form required by the applicable state department of insurance. The typical form will address the following topics –

- What type of products you can sell;
- Whose annuities you can sell; and
- How you will be paid.

The type of products you can sell will require you to disclose the scope of your insurance license, i.e. life only, life and fixed annuities, including fixed indexed annuities, or life, fixed annuities and variable annuities. In addition, you must discuss that a separate securities license is needed to sell non-insurance financial products, and whether you have such a license. If you possess a securities license, you will also need to disclose its scope with respect to mutual funds, stocks and bonds and certificates of deposit.

When discussing the annuities you can sell, the typical form will require that you disclose the number of life insurers you represent and, if you represent two or more, whether you primarily sell annuities from one life insurer over the others. If so, you will need to identify that life insurer.

Finally, you will also need to disclose how you will be paid. The typical form will require that you disclose compensation as a type, i.e. commission, fee or other, and how it is paid, i.e. commission by the life insurer issuing the annuity, fee by the client at a fixed amount or hourly rate, or some other type of arrangement that you will need to describe in writing. Although not required in the typical form, your client is free to request additional information regarding the amount of expected compensation. If

asked, you will need to disclose the percentage of annuity purchase payment(s) to be received under a commission arrangement. If you're being paid by your client in a fee arrangement, you must provide additional detail when asked about whether payment is a one-time or multiple occurrence amount and, if multiple occurrences, the frequency, amounts and duration of payments.

The annuity product you're recommending

When recommending an annuity to your client, you must disclose to them the various product features as well as any fees and charges that may apply. This disclosure obligation requires a detailed review of product features such as interest crediting limitations, potential changes in non-guaranteed elements and potential tax penalties. We have created disclosure documents that address all of the required product information that must be shared with your client at the time of recommendation. Reviewing the applicable disclosure document with your client is a convenient and effective way to satisfy this obligation.

Conflict of Interest Obligation

This obligation requires that you identify and avoid material conflicts of interest. If a material conflict of interest cannot be avoided entirely, you must reasonably manage such conflict and disclose it to your client. An example of a material conflict of interest would be ownership of stock of the life insurance company issuing the annuity product you are recommending.

Documentation Obligation

This obligation requires that you make a written record of any recommendation and the basis for such recommendation. The CFD form has a producer section that provides you with the ability to document the basis for your annuity recommendation.

Non-Cooperative Clients

On rare occasions, you might have a client who does not want to disclose the information required to complete the CFD form needed to create a client profile. Although applicable state law will typically accommodate this situation through additional signed documentation, the Company generally will not issue an annuity without first receiving a completed CFD form. In these instances you will need to work with another life insurance company.

On very rare occasions, you might have a client who wants to purchase one of the Company's annuity products and you are not recommending

such purchase for some reason. Again, although applicable state law will typically accommodate this situation through additional signed documentation, the Company will not issue an annuity that you have not recommended to your client.

Contract Replacements

Replacement is a state regulatory concern with specific disclosure and documentation rules. The replacement regulations apply to existing individual life insurance policies and annuities, where applicable, and to individually solicited group annuities and life insurance policies.

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 proposing agent, 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 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;
- Reissued with any reduction in cash value; or
- Used in a financed purchase.

Unlike a typical product sale where you must have a reasonable basis to believe that the annuity is suitable, a replacement transaction has a higher threshold, which varies depending on the standard that applies in the jurisdiction where the sale occurs. In a jurisdiction with the suitability standard, you need to determine if the new annuity offers your client a material benefit. In a jurisdiction with the best interest standard, you need to determine if the new annuity will substantially benefit your client. A material benefit would include such things as an opportunity for greater cash accumulation, enhanced death benefit, reduced costs, or features or benefits which are more in line with the customer's current objectives and needs. A benefit can be both material and substantial depending upon a particular client's profile. A substantial benefit would include such things as a new generation benefit rider, a unique index interest crediting methodology or other feature that is not

available with the replaced product.

Any determination regarding the benefit of the new annuity must be evaluated based on the totality of the transaction such as consideration of any tax consequences, any surrender charge to be incurred, or the commencement of a new surrender period with the new annuity. For clients age 65 or older who would incur a surrender charge on the annuity being replaced, the annuity recommended must confer a substantial financial benefit regardless of the standard that applies. In addition, you need to consider whether the client will lose existing benefits such as death, living or other contractual benefits (including any guaranteed minimum interest rate), in the product being replaced. Finally, you must also consider whether the client has exchanged or replaced another annuity, especially an exchange or replacement within the last 60 months. A replacement that is transacted simply because there *is* no longer a surrender charge associated with the original contract is not considered to provide a material benefit to the customer. It is incumbent upon you to fully and frankly discuss the pros and cons of replacement with the customer. If a replacement is not in the best interest of the customer, it should not be recommended or encouraged.

In any sale involving a replacement, make certain that you comply with the state specific replacement requirements, including all applicable disclosure and documentation rules required by applicable state law or regulation.

To help identify replacements without material benefit to the customer, the Company periodically monitors the following:

- Replacement activity that is considered to exceed industry norms (in terms of both an insurance company's total business, and an individual agent's total insurance business);
- Internal replacement activity; and
- Non-disclosed replacements.

Agents identified through this monitoring process may be contacted by the Company for additional information.

Churning & Twisting

A number of states have regulations designed to address replacement transactions that primarily benefit an agent. An internal replacement transaction where the agent deliberately used misleading representations, false statements or

omitted information during the sale of an or annuity contract is referred to as “churning.” An external replacement transaction where an agent knowingly made misleading representations, fraudulent statements or omitted information that induced the customer to purchase an annuity contract is referred to as “twisting.” You should refrain from initiating any replacement transaction unless you believe that the customer will benefit from the sale. You should also be aware that twisting and churning can result in a misdemeanor offense in some states. The Company strictly prohibits all sales which involve acts of churning and twisting.

Senior Clients

Senior protection legislation has been adopted in many states. Along with Suitability, Replacement and consumer protection laws, senior protection legislation generally provides broad protections to seniors. You are expected to comply with the applicable laws of the states where you conduct business.

Although you are not expected to diagnose mental or cognitive impairment, you should be alert to issues regarding the competency of a senior client. It is unethical, and illegal in many, if not all, states to sell an insurance product to a person who appears to suffer from mental impairments and cannot understand the features of the product. Various indicators can be used in determining whether the senior client may lack the short-term memory or judgment to knowingly purchase an insurance product. These can include, but are not limited to, the following:

- Another family member seems to be making all the decisions for the client;
- The client is unable to remember facts or locate information;
- The client forgets appointments or fails to return phone calls; and
- The client has been diagnosed with a form of dementia.

If it is determined that an insurance product is purchased by a person who is not competent to make such a decision, the Company reserves the right to rescind the product and chargeback any commissions paid.

Most seniors have other advisors, such as a CPA, a tax advisor, an attorney or a trusted family member. It may be beneficial to include these advisors or other family members in your discussions.

Reverse Mortgages

A reverse mortgage is a special type of home loan that allows a homeowner 62 years of age or older to convert the equity in his or her home into cash. This type of loan is becoming more and more popular with senior citizens and can help provide older Americans with greater financial security by supplementing the individual’s current income. A reverse mortgage, however, is not necessarily a good way for a senior citizen to get money to invest or spend on items that are not necessities.

Consequently, the Company believes that a deferred annuity that is or will be funded by the proceeds of a reverse mortgage is rarely a suitable product for a senior citizen. Applications for a deferred annuity where the source of funds is from a reverse mortgage will not be accepted by the Company. Because a single premium immediate annuity (“SPIA”), like a reverse mortgage, is a convenient way for a senior citizen to supplement his or her current income, the Company will accept an application for a SPIA even if the source of funding is from a reverse mortgage, but only if the product is otherwise suitable for the customer.

Training

You may not solicit the sale of an annuity product unless you have adequate knowledge of the product you are recommending. In that regard, you must successfully complete all product specific training provided by the Company before you may solicit the sale of such product.

Many states require agents who engage in the sale of annuity products to complete a one-time, training course approved by the state’s department of insurance. Training requirements vary by state and range from four to eight credit hours. In addition, the Company may require the completion of such training course as a precondition to selling one or more of its annuity products. If such training requirement is mandated, you must be able to provide the Company with evidence of completion upon request.

It is your responsibility to comply with all applicable training and continuing education requirements that apply to you. You must also comply with any record retention requirements regarding documentation associated with the completion of such training.

Sales to Military Personnel

Many states have adopted regulations to ensure that members of the U.S. military are offered suitable

products. The regulations require that no person may sell, or offer for sale, any life insurance or annuity product to any member of the Armed Forces, on or off a Military Installation, unless a disclosure statement, in accordance with Section 10 of the Military Personnel Financial Services Protection Act of 2006, is provided to such member at the time of sale. This statement applies to any active duty member of the Armed Forces as well as the dependents of any active duty service member. To help you meet this requirement, we have created the Military Sales Disclosure Statement form for you to provide a copy to a client that you know is active duty military personnel and/or a dependent of active duty military personnel. You and your client must each keep a copy of the Statement for your records.

“Active Duty” is defined as full-time duty in any branch of the military. It also includes National Guard and Reserve service members who are performing regular active duty or active duty for training under military calls or orders specifying periods of 31 days or more. A “Military Installation” is broadly defined and includes a military base, post camp, building or other facility to which service members are assigned for duty, including barracks and transient housing. If a service member is assigned to a Military Installation, any family member is also subject to the same protections.

If you engage in sales to military personnel, please note the following:

- You may not submit, process or assist in submitting any allotment form or similar device used by the U.S. Armed Forces to direct a service member’s pay to a third party for the purchase of a life insurance policy or annuity contract.
- You may not receive funds from a service member to pay the premium from a financial institution with which the service member has no formal banking relationship.
- You may not offer or give anything of value to someone you believe is a service member to encourage attendance at any event where insurance is solicited.
- You may not advise a service member to change his or her income tax withholding or state of legal residence for the sole purpose of increasing disposable income to purchase a life insurance policy or annuity contract.

- You may not offer or give anything of value, directly or indirectly, to Department of Defense personnel to procure their assistance in encouraging, assisting, or facilitating the solicitation or sale of life insurance to another service member.

This list is not exhaustive. Please see your state Department of Insurance website for further information on the regulation and any state specific deviations.

Non-Resident Sales

Insurance products are typically sold within the state where the owner resides. However, there are certain situations in which the sale of a product outside of the owner's resident state may be appropriate. Such situations generally occur when the owner has a connection to or activities within the nonresident state. This is sometimes referred to as "material interest" or "nexus." Below is a list of appropriate reasons for purchasing a contract outside the resident state:

- The owner has a second residence in the state (own or rent);
- The owner is employed in the state or has regular business dealings in the state;
- The owner is different from the insured/annuitant and the sale is taking place in the resident state of the insured/annuitant;
- The owner is a family member or has a business relationship with the agent/registered representative and the sale took place in the state of the agent/registered representative;
- The owner is a trust and the sale was conducted in the resident state of the trustee or the situs state of the trust; or
- The owner has power of attorney (POA) acting on their behalf and the transaction was conducted in the resident state of the POA.

Though an insurance product generally can be sold in another state if there is a material interest or nexus, it is **not** acceptable to meet with a client in another state for the sole purpose of selling an insurance product. Please note, however, that Minnesota and Utah prohibit their residents from engaging in a nonresident sale even if a material interest or nexus exists.

Please note MMALIC is **not** licensed to do business in the state of New York. Consequently, MMALIC

may not and does not sell or issue insurance products in New York. If you have a client who is a New York resident who has a valid reason to purchase insurance outside of New York, then you may sell to the client only if:

1. The application is written by you and signed by the New York resident while he or she is physically at your office in a state other than New York;
2. The contract or policy is physically delivered to the owner and a delivery receipt signed at your office in the same state the application is taken (delivery receipt must be submitted to the Company);
3. You are appropriately licensed and appointed with the Company in the state where the application is taken; and
4. You have an office (not simply a P.O. Box) in the state where the application is taken.

Company Policies

Contract and Licensing

The Company is dedicated to providing customers with superior products and services for a wide range of insurance and financial needs. Therefore, the Company seeks to develop insurance professionals who are knowledgeable, highly skilled, ethical and motivated to help customers achieve financial peace of mind. Before soliciting business, you must be properly contracted and/or appointed with the Company. You must also have a license issued by the insurance regulatory official from each state in which you solicit business. In addition, you must:

- Solicit sales of insurance and annuity products only in states where such products are approved for sale;
- Conduct yourself in compliance with all laws and regulations applicable to the sale of insurance, including the obligation to disclose accurately and completely the terms, conditions and nature of the Company's insurance and annuity products; and
- Maintain your appointment with the Company to solicit applications for its insurance products.

As an agent of the Company, you are not authorized to:

- Make, waive, modify or discharge the terms of any policy or contract or extend the time

- for the payment of any premium;
- Waive forfeitures, incur any indebtedness or liability or expend funds on behalf of the Company;
- Create, waive or change any question, statement or answer on any application or form(s) for an insurance product; or
- Issue or use any material that mentions the Company by name or logo or relates to any of its products, including web pages and internet sites, unless the same has first been approved in writing by the Company.

Idaho Agents: Upon termination of your appointment, you must remit all copies of any documentation you have regarding your suitability analyses for Company products within twenty-one (21) days of termination.

Utah has amended certain provisions of its licensing requirement, including the requirement that agents be licensed as a variable contract agent in order to recommend the purchase or termination of a variable annuity contract or a variable life insurance policy. Utah agents are advised that it is the responsibility of the agent to ensure that any recommendation to purchase or terminate a variable contract or variable life insurance policy are made in compliance with Utah's licensing rules.

Errors & Omissions Liability Insurance

To protect yourself against claims involving your professional services, it is both a good business practice and a Company requirement for you to maintain professional liability insurance or errors and omissions ("E&O") coverage.

If requested, you must provide the Company with evidence of your current coverage with a carrier in good standing, and the coverage should specifically apply to the sale and service of life and health insurance and annuity products.

For your own protection, you should promptly report any claim made against you to your E&O carrier. This includes, but is not limited to, any lawsuit or regulatory action that is brought against you. In addition, you should notify your E&O carrier if you become aware of any wrongful act or allegations of a wrongful act even if you feel that the claim or allegation is not justified.

Consumer Complaints & Notice Requirements

You must promptly notify the Company of any

consumer complaint or allegations of a wrongful act about which you become aware. In addition, you must promptly notify the Company of any regulatory investigations, disciplinary actions, judicial proceedings and the like which in any way involve you. You also must cooperate with the Company in connection with any investigation into your activities connected with the sale or presentation of any of the Company's products, or any other investigation being conducted by the Company.

Federal Violent Crime Control and Law Enforcement Act

As previously discussed, you and your subagents, if any, must comply with all state and federal laws and regulations that apply to the sale of insurance, including, but not limited to, the Violent Crime Control and Law Enforcement Act of 1994, 18 U.S.C. Sections 1033, 1034 (the "Act"). Among other things, the Act makes it a crime for you or the Company to willfully permit any person who has been convicted of a state or federal felony offense involving dishonesty or a breach of trust from engaging or participating in the business of insurance unless that person has the written consent of an appropriate insurance regulatory official.

If you have any questions about the Act and how it affects you or your business, you should consult your legal advisor.

Tax and Legal Implications

Your sales proposals may have tax implications for the customer. For example, the sale may be motivated by the customer's desire to minimize his or her current or future tax situation. Because everyone's tax situation is unique, you should encourage your customer to seek the advice of a tax professional such as his or her tax attorney.

The Company does not give tax advice. Only terminology that has been approved in writing by the Company in advance and which completely and accurately explains the current Internal Revenue Code and Internal Revenue Service Rules and Regulations dealing with the tax treatment of insurance premiums or benefits may be used in any of your sales material relating to the Company's products and services.

Fraudulent Acts

You shall not knowingly engage in, or provide assistance to others participating in, any unfair or deceptive practice that involves dishonesty or a

breach of trust. This includes, but is not limited to any activity that constitutes fraud or deceit, misappropriation of funds or personal property, forgery, embezzlement or unauthorized alteration of documents.

You must promptly report any known or suspected fraudulent activity to the Company. No retaliation will be taken against you for reporting a possible violation of law, ethics or Company policy. To report any suspected activity, call (888) 697-8687.

Conflicts of Interest

You should not serve in any capacity that may be construed as creating a conflict of interest and you may not use family members, business associates or any other party to accomplish what you are otherwise prohibited from doing in this regard.

In general, due to state laws against fiduciary conflicts of interest, the Company will not accept any new business to be owned by a trust for which you are a current trustee. The Company may make exceptions to this rule under certain conditions, such as:

- the trust is your own revocable trust, or
- you agree to waive your commission, or
- the trust document waives the conflict of interest, or
- the trust is a revocable trust and the grantors waive the conflict of interest in writing, or
- the trust is an irrevocable trust and all current and potential future beneficiaries waive the conflict of interest in writing.

In addition, due to concerns about undue influence over your client's financial affairs, the Company may decline any new business to be owned by a trust where you are named as a current trustee or a successor trustee, or where a trust is named as the beneficiary and you are a current trustee or a successor trustee. The Company may make exceptions to this rule under certain conditions, such as cases where the trust was created by a member of your family or you provide an explanation satisfactory to us detailing the circumstances that led you to be named as the trustee.

The Company will not accept any new business where you serve as attorney-in-fact or successor attorney-in-fact for the owner or beneficiary of a life insurance policy or an annuity.

The Company will not accept any new business where you also performed legal services for the client as a lawyer.

The Company will not accept any new business where you would directly or indirectly be the beneficiary of the new contract, except in limited cases where you certify to us that you are related to the proposed contract owner and would receive substantially the same amount upon the death of the contract owner under the laws of intestacy, which certification shall include the identity and relationship of each person included among the contract owner's next of kin.

If an owner changes a designation of beneficiary on an annuity contract or life insurance policy to directly or indirectly name you, and the Company would not have accepted the business if the designation had been made on the new business application, then the Company may:

- terminate your agent's agreement,
- notify the owner's estate and the state insurance department of the facts in its possession,
- withhold payment of any death benefit until after any undue influence or misconduct issues are resolved, and
- pursue any other remedy allowed by law.

Prohibited Transactions and Qualified Contracts

The Internal Revenue Code Section 4975 generally prohibits the receipt of a commission by a fiduciary arising out of a transaction involving the assets of a qualified retirement plan or IRA. For this purpose, a "fiduciary" is any person who has discretion or control over the administration or assets of the plan or who provides investment advice to the plan. The Owner of an IRA will always be treated as a fiduciary of his or her IRA.

For an IRA, a prohibited transaction will disqualify the IRA. Accordingly, we will not issue an IRA contract to an individual who is also acting at the insurance agent unless the agent waives his or her commission or some other person (not controlled by the IRA owner) acts as the agent for the sale.

For other qualified retirement plans, it is the agent's responsibility to determine if the agent is a fiduciary, and if so, whether an exemption would allow the commission to be paid. If an exemption exists, it is the agent's responsibility to ensure compliance with all of the terms of that exemption.

Handling of Funds

You are generally not allowed to collect funds on behalf of the Company, except for the first purchase payment or premium. Any funds collected by you on behalf of the Company are held in trust for the benefit of the Company and should be submitted to us immediately. The commingling of funds belonging to the Company or others with your own funds is strictly prohibited.

You are prohibited from advancing purchase payments or premiums and are expected to refrain from rebating (except where expressly allowed by state law).

Advertising

The Company is committed to using advertising material that fully and truthfully discloses all material and relevant information (including any limitations or exclusions) about the Company's insurance policies and annuity contracts. To assist you in promoting the Company's products and services within applicable state and federal regulations, and in the best interests of the customer, the Company has developed certain advertising guidelines and procedures that must be followed.

Advertising includes, among other things, any listing or description of the Company, its name, benefits, logo and/or products used to generate leads or recruit agents, or to induce the public to purchase, modify, reinstate, borrow on, surrender, replace or retain a policy or annuity contract. This definition includes printed or published material (including e-mail), audio visual materials, direct mail, internet sites (including social media sites), web pages, interactive sales presentation, newspaper or magazine advertisements, radio spots, television commercials, billboards, stationary, trade show displays and oral presentations, including oral sales presentations.

You must submit a copy of any proposed advertisement to the Home Office for approval prior to its use. To receive final approval, a prototype version of the advertisement, which incorporates all required changes, revisions, or deletions, must first be sent to the Home Office for review. Once an advertisement is approved, the Home Office will notify you and will assign an advertisement Approval Code, which must be included in the advertisement. Failure to follow the Company's advertising guidelines, including the submission and subsequent approval of any proposed advertisement, will result in disciplinary

action by the Company.

Please note that you are prohibited from distributing to consumers materials developed for internal use, including materials marked “for internal use only,” “for broker dealer use only,” “for Insurance Professional use only,” or with similar restrictions.

For complete details about annuity products, call the Company at (800) 438-3398.

Delivery Receipt

The delivery of an insurance policy or annuity contract is a very important step in the issuance of a new policy or contract. The law requires that life policies and annuity contracts be delivered within a reasonable period of time. To help monitor this final step, a Delivery Receipt is used to provide the Company with information which includes the date of delivery and signatures by the customer and the agent.

To ensure customers receive a “free look” period consistent with their policy or contract, it is crucial that the Delivery Receipt be returned to the Company in a prompt manner.

Consumer Complaints

You are required to respond in a prompt, thorough and truthful manner and in writing to any requests from the Company involving a complaint. A complaint is any written communication from or on behalf of a customer that primarily expresses a grievance. Any verbal grievance made by a customer should be handled contemporaneously. If a verbal grievance involves an issue that cannot be addressed over the telephone, you should encourage the customer to formalize the complaint in writing. A customer who expresses a complaint with the products or services of the Company or its affiliates should be advised to send, fax or email a letter describing their specific grievance and the policy/contract number(s) involved. With respect to the sale or administration of an annuity or life product, the customer should mail, fax or email their grievance to the attention of the Corporate Compliance Department of MMALIC at the following address:

P.O. Box 5420
Cincinnati, OH 45201-5420
Fax: (513) 361-5967

In some instances, we may receive a complaint that requires information from you. It is your duty to respond promptly to us in writing.

Medicaid Planning

Medical assistance eligibility rules are complex, subject to frequent changes and are entirely dependent on the state in which the individual is located. The Company does not provide Medicaid planning advice and as agent, you may not give such advice while acting on behalf of the Company. You may not refer to the Company’s products as “Medicaid friendly” or “Medicaid compliant” or use any similar terms to describe the Company’s products.

All prospective clients must be advised to consult a qualified elder law attorney or the Medicaid office in their state prior to purchasing an annuity contract or selecting a settlement option for Medicaid planning purposes.

California Senior Residents: The law prohibits a producer/agent from selling an annuity contract(s) to a California senior resident if the purpose of the purchase is to affect Medi-Cal eligibility for the senior resident or the senior resident’s spouse and either of the following are true:

- the senior resident’s assets are equal to or less than the community resource allowance established annually by the California State Department of Health Services; and/or
- the senior resident would otherwise qualify for Medi-Cal.

LIMRA Customer Assurance Program (CAP)

You should be aware that the Company has implemented a customer survey program known as LIMRA CAP with respect to annuity product sales. A select number of new customers are sent a brief thank you note and a questionnaire to complete. Results of the survey program show information relating to the customer’s perception during the sales process. The results include information concerning the quality of advertising materials, agent service, product features, needs-based selling, contract delivery and trust creation.

Regulatory Matters

Privacy & Information Security

The Company is committed to respecting and protecting the personal information of our policy and contract owners. The Company has developed policies and procedures to address the requirements

of the Graham-Leach-Bliley Act and related federal and state laws and regulations to protect the confidentiality of customer information.

You are responsible for adhering to the Company's privacy policies and procedures. You must protect your client's non-public personal information (including financial and health information) in any form (e.g. paper, electronic, etc.) from unauthorized disclosure at all times. A client's non-public personal information may not be used for any purpose other than to accomplish the duties outlined in your Agent's Agreement. You must securely dispose of a client's non-public personal information by placing documents in locked recycling bins, shredding information or erasing or destroying electronic records as appropriate. Your client's non-public personal information must be encrypted when transmitted over the internet, including via email. If you have reason to believe that an unauthorized disclosure of a client's non-public personal information may have occurred, you must notify the Company immediately.

The Company's *Notice of Privacy and Insurance Information Practices* ("Privacy Notice") describes the categories of customer information collected, how it is used, and who has access to it, among other things. The Privacy Notice is mailed to all policy and contract owners on an annual basis and is delivered to all new customers with their policy or contract. In addition, it is mailed to all former owners the first year after a policy or contract is terminated. *You must provide a Privacy Notice to any new or potential customer at the time you gather non-public personal information from them on behalf of the Company, usually when you take an application.*

California Residents. For annuity purchasers who reside in California, you must provide a copy of the Company's *Privacy Notice Disclosure for California Residents* ("California Notice") at the time you gather non-public personal information from them on behalf of the Company, usually when you take an application. The California Notice is in addition to the Privacy Notice.

Federal and State Do Not Call and Do Not Fax Rules

The Federal Communication Commission has amended the Telemarketing Sales Rule to give consumers a choice about whether they want to receive telemarketing calls and unsolicited faxes. The Do Not Call rules mandate that persons engaged in the business of insurance will be

required, prior to any telephone solicitation, to search the national registry at least quarterly and drop from their call lists the phone numbers of consumers who have registered. The Do Not Fax rules require that you may only send fax advertisements to those from whom you have received a signed, written statement with the recipient's fax number.

If you cold call prospective customers, you must maintain a Do Not Call list in the event a customer requests to be added to that list. If you call a prospective customer and they request that you place them on the Company's Do Not Call list, you must promptly notify the Corporate Compliance Department at annuitycompliance@mmscend.com and provide the phone number to be included on the list.

Keep in mind that some states may have more strict Do Not Call requirements. We encourage you to be educated on your state's laws and requirements.

By providing the Company with your fax number, e-mail address, mail address or telephone number you are providing consent to receive advertisements and other communications by fax, e-mail, mail and telephone from or on behalf of the Company and its affiliates.

Anti-Money Laundering Program

As an agent, your skills and services help your clients achieve financial success and security. Because you are on the front lines of a multibillion dollar industry, you are in a unique position not only to serve your clients, but also to serve the country by helping prevent money laundering and the financing of terrorist activities.

To comply with the federal anti-money laundering laws and regulations for insurance companies, the Company has adopted a detailed anti-money laundering program. You have an important role to play in that program if you sell covered products, i.e. annuities, life insurance and other cash value products. As a person who deals directly with customers, you will often be in a critical position to obtain information confirming the customer's identity, the customer's source of funds for the products you sell and the customer's reasons for purchasing an insurance product. You should expect to collect and retain information needed to assess the risk associated with a particular piece of business.

The Company makes every effort to comply fully

with all applicable money laundering laws and regulations. If you sell covered products, i.e. annuities, life insurance and other cash value products, the Company requires you to be trained in its anti-money laundering program, participate in continuing training, know your customer and bring any suspicious activity to the attention of the Corporate Compliance Department at (877) 407.4007.

Sanctions for Non-Compliance

The Company has prepared this Guide and adopted various rules and regulations and policies and procedures as part of a comprehensive effort on its part to subscribe to the highest standards of ethical market conduct applicable to the segment of the insurance industry it serves. To help the Company achieve this goal, it expects you to abide by all applicable laws and regulations and to uphold the Company's rules and regulations and policies and procedures as reflected in your Agent's Agreement, this Guide or as otherwise promulgated and published by the Company. Your failure to fulfill these duties is considered a serious offense by the Company and may subject you to appropriate, case-specific disciplinary action, which may include immediate termination of your Agent's Agreement. The acts or omissions described in this Guide do not constitute an exclusive list of the reasons you may be disciplined. Nor does it set forth all the reasons your Agent's Agreement may be terminated.