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Did you know?

- Our FIA cap and participation rates have recently increased.
- Our FIA contracts have some of the highest fixed-annuity rates currently available.

BRIDGE BUCKS
Earn up to **\$4,500 CASH BONUS**
+1% commission special

CANCUN IS CALLING
Our FIA cap and participation rates have recently increased.
Our FIA contracts have some of the highest fixed-annuity rates currently available.

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ATELIER RESORT - PLAYA MUJERES, MEXICO
TRIP DATES: JUNE 3-8, 2024

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CANCUN, CRUISES AND CASH

How the Department of Labor's New Retirement Security Rule Would End Insurance Industry Kickbacks that Cost Savers Billions



Prepared by the Office of Senator Elizabeth Warren
September 2024

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INTRODUCTION

All Americans deserve to retire with security and dignity. Recognizing this, on September 23, 2024, the Biden Administration's final rule to eliminate financial advisor conflicts of interest and save hardworking Americans up to \$87.5 billion over the next decade should have gone into effect.¹ The "Retirement Security Rule" issued by the Department of Labor (DOL) on April 23, 2024, would have required, starting this week, that advisors' investment recommendations are always made in their clients' best interest.² This common-sense rule would protect retirement savers, yet the rule's implementation has been delayed by industry groups and an extremist 5th circuit court that put retirement and annuity industry profits over the savers they are supposed to serve.³

Americans who work hard and save for retirement should be able to go to a financial advisor and rely on them to give the best advice — but right now, that is not always the case. That is because too many annuity and insurance companies offer back-door rewards and incentives to brokers, dealers, and agents in exchange for promoting certain financial plans and annuity products.⁴ They often do this even if this advice is not in the best interest of clients and even if these financial professionals hold themselves out as trusted advisors, not salespeople.⁵ While the 1974 *Employee Retirement Income Security Act* (ERISA) has long required investment advisors to act as "fiduciaries"⁶—meaning they must put the interest of their clients first⁷—prior to the Retirement Security Rule, regulations had not been updated in 50 years, leaving loopholes for warped advice on certain products or under certain circumstances.⁸

This type of bad advice causes Americans to lose billions of dollars each year on low-quality or high-cost investment products pushed onto them by conflicted advisers.⁹ Conflicts of interest among advice providers cost retirement savers as much as 20 percent of their retirement income over a lifetime, and conflicted advice on fixed-index annuities alone cost savers as much as \$5 billion every year.¹⁰ As a result, retirement plan



participants would save \$55 billion over the next decade in fees with the implementation of the DOL's new rule, and "investors rolling over into annuity products could save another \$32.5 billion over the same period."¹¹ Indeed, a July 2024 U.S. Government Accountability Office (GAO) report found that mutual funds that compensate financial professionals are associated with lower average returns.¹² According to GAO, "[t]his could reduce retirement savings' growth over time and could make a difference of tens of thousands of dollars for investors in actively managed domestic equity funds at retirement."¹³

The majority of investment professionals who honestly advise their clients are also harmed by these practices, having to compete with advisors not subject to fiduciary standards. The Retirement Security Rule would finally close the loopholes and put an end to these abuses.

Senator Warren opened a new investigation into the prevalence of insurance industry kickbacks in April 2024, writing to the country's 15 largest annuity companies, seeking additional information on their use of these payments.¹⁴ This new report details the findings of this investigation. It reveals that, while the annuity and insurance industries—who earn immense profits from these tactics—are fighting to

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SILAC
INSURANCE COMPANY

**SILAC
INNER
CIRCLE**

Proudly introducing the **SILAC Inner Circle**.
A new loyalty & rewards program focused on appreciating you.

HOW DOES THE INNER CIRCLE PROGRAM WORK?
To qualify, you must write \$2,500,000 in issued premium within a calendar year.
Once qualified, you gain access to Inner Circle benefits.
Your membership continues through the end of the following year.
Please see page 3 for more information.

WHAT ARE THE INNER CIRCLE BENEFITS?

<p>BONUS PROGRAM Earn a bonus on issued premium. Please contact a member of the SILAC sales team for more details.</p>	<p>THE SILAC EXPERIENCE Receive an elevated level of service that includes: • Dedicated Inner Circle Team that will handle all service needs. • Top of the queue priority for calls. • Expedited processing.</p>
<p>SALT LAKE CITY MEETING Attend a SILAC-hosted event in Salt Lake City where you can visit our home office and meet the SILAC team.</p>	<p>CURATED SWAG Heightened gifting experiences with incredibly great swag throughout the year.</p>

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SIC-CIRCLE PAGE 1 OF 3

overturn the Retirement Security Rule,¹⁵ the rule is needed because of their aggressive use of secret rewards and kickbacks that incentivize financial agents to give bad advice.

This report details four key findings:

- 1) Kickbacks and conflicts of interest are still pervasively used in 2024 — by at least 29 companies¹⁶ — to pay off conflicted advisors.

These rewards include:

- a week-long escape to “one of the most privileged locations on the white sands of Punta Cancun,”¹⁷
- a “luxury Danube river cruise”¹⁸ and
- an extra \$4,500 bonus, in addition to commission, for issuing three “cases” of a given product.¹⁹

These findings echo findings from Senator Warren’s investigations from 2015 to 2017, which also uncovered widespread perks

and kickbacks in the annuity industry. These ranged from “cruises to lavish international travel to iPads to diamond encrusted ‘NFL Super Bowl Style’ rings to cash and stock options—to entice sales of their products—regardless of whether they were the best investment for retirees.”²⁰

2. Insurance companies are using third party “Sales and Marketing Organizations” (SMOs) and “Field Marketing Organizations” (FMOs) to dodge responsibility for these unethical practices.²¹
3. Current National Association of Insurance Commissioners’ (NAIC) and SEC standards are not sufficiently protecting consumers.²²
4. Companies hide behind inadequate disclosures to deflect accusations of conflicts of interest.²³

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INNER CIRCLE

**INNER CIRCLE ALSO INCLUDES OUR
ONCE-IN-A-LIFETIME PLAYERS CIRCLE TRIP**

Qualifiers will join us on a private, **LUXURY DANUBE RIVER CRUISE** where we will explore Passau, Salzburg, Vienna and Budapest.

QUALIFICATION: \$5 Million in issued premium
QUALIFICATION PERIOD: Premium must be submitted January 1, 2023 - December 31, 2023 and issued by January 31, 2024
The **top 60** producers will receive an invitation to attend.
This trip will take place **JULY 2024**.

All writing agents are eligible to qualify. Qualifying agents must have an active contract with SILAC Insurance Company and be in good standing to receive Inner Circle benefits. Applications must be submitted 1/1/2023-12/31/2023 and issued by 1/31/2024 to qualify. Split cases are permitted. The issued premium allocated to each agent for qualification purposes will match the agreed percentage split. Free looks and cancellations will be subtracted from issued premium. All chargeback rules apply and all decisions by SILAC are final.

SILAC Insurance Company reserves the exclusive right to make determinations of agents qualified to participate in the program. SILAC reserves the right to modify or cancel the program and to terminate issued premium credits towards the program at any time, for any reason, without notice. Under current tax laws and regulations, gross income includes amounts received as prizes or awards. Accordingly, the prizes and awards will be treated as additional compensation for purposes of any applicable tax reporting.

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CURRENT LOOPHOLES ALLOW INVESTMENT FIDUCIARIES TO WORK AGAINST THE SAVERS' BEST INTEREST

The *Employee Retirement Income Security Act* (ERISA) was enacted in 1974, which protected the interests of individuals receiving retirement investment advice.²⁴ ERISA requires that individuals who provide retirement investment advice for a fee (fiduciaries) meet certain standards of conduct, including ensuring that fiduciaries act in “solely in the interest” of their clients and “avoid conflicts of interest.”²⁵ But 50-year-old regulations implementing ERISA and defining who must act as a fiduciary were outdated, creating loopholes that allowed financial professionals and firms to evade their fiduciary duty.²⁶ For example, old rules limited protections to “professionals...[who] provide advice on a regular basis,” meaning “that if an investment professional makes a one-time recommendation, that person is off the hook—even if the advice was to roll over someone’s lifetime savings.”²⁷

Indeed, one-time advice is often the most important advice individuals planning for retirement may receive, and roughly 5 million savers per year roll their money out of 401(k)s and into Individual Retirement Accounts (IRAs).²⁸ In 2022 alone, Americans rolled over approximately \$779 billion into IRAs—an investment decision that, under previous regulations, was not covered by the ERISA fiduciary standard.²⁹

Meanwhile, the Securities and Exchange Commission (SEC) sets standards for broker-dealers, protecting retail customers when it comes to advice about investments in securities, but not other investments.³⁰ In particular, not all annuities are not regulated by the SEC,³¹ and, prior to the Retirement Security Rule, not addressed under ERISA. Annuities are financial products in the form of a contract between an

individual and an insurance company, which require an individual to pay money upfront in return for contractually-specified payments.³² Advisors, incentivized by kickbacks allowed by these legal loopholes, often present annuities as safer, guaranteed income, but in fact they can have significantly lower payouts and higher fees than pensions³³ or other investment options.³⁴ Annuity companies have been taking advantage of these legal loopholes for years, and it is time they are stopped.

Just last month, reporting revealed that financial advisors at Teachers Insurance and Annuity Association of America (TIAA)—a giant annuity firm that handles retirement plans for thousands of nonprofit institutions like Boston College and Tuskegee University—were putting their interests above their clients by pushing retirement savers toward in-house tools.³⁵ Indeed, a whistleblower complaint filed with the SEC in June says TIAA “stands to reap billions in new revenues when clients use the tool because it quietly steers them into two in-house TIAA investment products that yield the firm significant profits.”³⁶ The financial advisors benefit, receiving bonuses if they persuade at least 170 customers to follow their advice.³⁷ And this is far from an isolated incident—it is the third time in the past three years that regulators have accused TIAA of placing its interests ahead of its customers’ or failing to disclose conflicts of interest in its practices.³⁸



2024 Agent Incentive Trip

ATELIER RESORT – PLAYA MUJERES, MEXICO
TRIP DATES: JUNE 3-8, 2024

Experience a luxurious and relaxing getaway to a 5+ star private resort in Playa Mujeres, Mexico, with Liberty Bankers Insurance Group (LBIG). Explore all the Caribbean has to offer during your six-day, five-night stay when you travel BIG with LBIG.

Qualification Period: January 1 – December 31, 2023

Credits Earned per One Dollar of Issued Annualized Premium:

- Medicare Supplement = 1.0 Credit
- Ordinary Life = 2.0 Credits
- Supplemental Health = 3.0 Credits

INDUSTRY LOBBYISTS ARE ATTACKING DOL'S NEW RETIREMENT SECURITY RULE

The new Retirement Security Rule represents a win in a long battle to protect retirement investors from harmful conflicts of interest. While the Obama Administration worked hard to end these abuses,³⁹ their efforts were derailed by industry groups, the Trump Administration, and an activist Fifth circuit.⁴⁰ The Biden Administration's new rule is scheduled to take effect on September 23, 2024,⁴¹ but once again, industry groups and Republicans in Congress are fighting tooth and nail to overturn it before it can be implemented.⁴² Desperate to hang on to their kickbacks, industry groups are working overtime to spread misleading information through "biased 'studies' and 'surveys' "purporting to show negative impacts on small savers and substantial costs for industry," which in reality are "thinly veiled lobbying tools designed to preserve the very profitable status quo."⁴³



Performance Gets You the Gold in 2023.

Earn up to \$2,500 in bonuses for Signature Performance IUL paid policies!

\$250 BRONZE	\$1,000 SILVER	\$2,500 GOLD
\$10,000 PRODUCTION	\$25,000 PRODUCTION	\$50,000 PRODUCTION

Signature Performance IUL New Enhanced Features
Increased Income • 25 bps Interest Bonus • Targets Increasing 20%

Three cases minimum to qualify, maximum \$2,500 bonus. Must be paid by and in force through 07/14/2023.

Cash Bonus is non-cumulative. Eligible policies must be submitted between 04/03/2023 and 06/30/2023 and be paid by and remain in force through 07/14/2023 to qualify. Policy counts and production will be based on split policy percentage issued to each agent. This offer may not be available in all distributions. Contact your marketing area to confirm eligibility. Writing agents only. Limit one per writing agent. Not available in New York. Policy Form Series: IUL23. No change in California. CA producers will continue to use the current product (IUL19) until otherwise communicated. Expert Approval Illustrations will reflect correctly by state. American National Insurance Company, Galveston, Texas.

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Meanwhile, the Certified Financial Planner Board of Standards, which sets and upholds standards of competency and ethics for financial planners,⁴⁴ "supports the rule," finding that it aligns with investor expectations for retirement investment advice in their clients' best interest.⁴⁵

In July, a judge in the 5th U.S. Circuit Court of Appeals in Texas said in a ruling that the insurance groups challenging the Retirement Security Rule "were likely to prevail in their arguments."⁴⁶ The same judge blocked the rule nationally from taking effect on September 23, 2024 (the day the Biden-Harris Administration's new rule was supposed to go into effect) while the lawsuit plays out⁴⁷—an extremist decision driven by court shopping on the part of the financial industry.⁴⁸ Meanwhile, in Congress, Republican members of the House and Senate have led the introduction of a Congressional Review Act (CRA) Joint Resolution of Disapproval in an effort to overturn the Biden Administration's new rule.⁴⁹ As it considers this legislation, Congress must stand with American families and end the pervasive use of kickbacks by the annuity and insurance industries, which seriously harms workers saving for retirement.

EquiTrust

BRIDGE® KEEPS GETTING BETTER – NEW 3-APP CASH BONUS OPPORTUNITY

Earn up to an extra \$4,500 on your next three issued cases of Bridge® with our limited-time Bridge® Bucks offer for apps submitted by 12/31/23.

BRIDGE® BUCKS

Earn up to **\$4,500 CASH BONUS!**

-1% commission special Through 12/31/23

And that's not all! We're extending our 1% commission special through the end of the year. There's never been a better time to tell your clients about Bridge® by EquiTrust.

1 SUBMIT APP GET AN EXTRA \$1,000	2 SUBMIT APPS GET AN EXTRA \$1,500	3 SUBMIT APPS GET AN EXTRA \$2,000
----------------------------------------------------	-----------------------------------------------------	-----------------------------------------------------

Consider the possibilities!

		STANDARD	ENHANCED	ENHANCED PLUS	
Case Issued	Premium	8% MGA Commission ¹	1% Commission Special	Bridge® Bucks	Total
Case 1	\$100,000	\$8,000	\$1,000	\$1,000	\$10,000
Case 2	\$100,000	\$8,000	\$1,000	\$1,500	\$10,500
Case 3	\$100,000	\$8,000	\$1,000	\$2,000	\$11,000
Total	\$300,000	\$24,000	\$3,000	\$4,500	\$31,500

Rules and details

- Applies to applications received at EquiTrust between July 1, 2023, and December 31, 2023.
- Contracts must be issued by January 31, 2024.
- Commission special will be paid by the 15th of the following month of each applicable issued case.
- Commission special will be paid via a commission adjustment to bank account on file.
- Only one bonus is paid for an individual client.
- For split cases, the commission specials will follow the commission split.
- EquiTrust may terminate this offer at any time.

¹% MGA commission assumes a client issue age of 75 or below

Bridge® contract issued on Form Series ICC2-ET (EA-2000)(1-2) or ET-EA-2000(1-2). Long-Term Care Rider issued on ET-LTC(04-22). InnerGrip® Wellness Rider issued on ET-WELL(23). EquiTrust does not offer investment advice to any individual or agent/producer and this material should not be construed as investment advice. Products underwritten, issued and distributed by EquiTrust Life Insurance Company, Wind Des Moines, Iowa. EquiTrust.com. For Producer Use Only.

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FINDINGS

Contrary to industry lobbyist claims, this report identifies extensive conflicts of interest and the widespread use of kickbacks and secret perks to reward financial advisors for providing advice that profits insurance companies but often hurts retirees.

1. Dozens of annuity companies are offering secretive incentives and rewards that undermine agents' incentives to give the best advice to consumers.

This investigation uncovered a deeply troubling pattern of secretive incentives and rewards—from all-inclusive cruises and luxurious getaways in the Caribbean, to \$50,000+ cash bonuses—to financial advisors in exchange for promoting their products, even if they are not in the best interests of clients.⁵⁰

In total, Senator Warren's staff identified that at least 29 annuity and insurance companies are offering agents secret perks in the form of vacations and cash bonuses in 2024 in exchange for the agents to sell their annuity and insurance products.⁵¹ These incentives present a conflict of interest for agents and financial advisors that creates a clear incentive for them to recommend and sell products that may not be the best fit for the retirement savers who rely on their advice.

Examples of vacation perks offered by annuity companies in 2024 include:⁵²

- A "luxurious and relaxing getaway to a 5+ star private resort" in Playa Mujeres, Mexico, offered by Liberty Bankers Insurance Group, where the agent and their guest can experience "all the Caribbean has to offer" for six days—if they sell \$200,000 worth of products.⁵³
- A "luxury Danube river cruise" where agents are invited by the SILAC insurance company to explore Passau, Salzburg, Vienna, and Budapest.⁵⁴

SENTINEL Security Life **SENTINEL SUCCESS SUMMIT**

March 1-7, 2024*
Port Douglas & Sydney, Australia

Qualification Details:

Top 10 Life Agents** | Top 30 Annuity Agents** | Top 5 FMOs/IMOs

Agent Production Requirements: <ul style="list-style-type: none"> • Minimum of 100,000 credits for Annuity Agents • Minimum of 65,000 credits for Life Agents 	Annual Premium: <ul style="list-style-type: none"> • 100% Final Expense Only • 5% Annuity (max 15,000 production credits per case) • Credits awarded per issued application
FMO/IMO Production Requirements: <ul style="list-style-type: none"> • Minimum of 400,000 credits 	

Contest Period: March 5, 2023 - December 31, 2023

**FAMILY CENTS ARE SUBJECT TO CHANGE. THE SENTINEL SECURITY LIFE INSURANCE COMPANY SUCCESS SUMMIT IS SUBJECT TO PERFORMANCE OR CANCELLATION BY SENTINEL SECURITY LIFE. QUALIFICATION REQUIREMENTS ARE SUBJECT TO CHANGE WITHOUT NOTICE. **AGENTS MUST MEET MINIMUM PRODUCTION REQUIREMENTS. Qualification Requirements: Application complete and qualification period ended March 5, 2023. December 31, 2023 must be used for January 4, 2024. Agents may qualify under either Life or Annuity only, not both. Individual production only. LHM credits cannot be combined under a single agency. Production must be in good standing to qualify and have an active contract on the date of application. Premiums upon receiving during the qualification period will be deducted from gross premium. Credits awarded to agents are based on total production. Agents may change qualifications and dates upon change of circumstances.

SENTINEL SECURITY LIFE INSURANCE COMPANY IS A MEMBER OF THE A-CAP FAMILY FOR AGENT USE ONLY - DO NOT DISTRIBUTE TO CONSUMERS

- A five-day escape to "one of the most privileged locations on the white sands of Punta Cancun" for Washington National, where, "[s]hielded from the open sea by the shores of Isla Mujeres, the Grand Fiesta Americana Coral Beach Cancun offers calm, warm and swimmable waters and irresistible tropical weather."⁵⁵
- A five-night trip to Venice, offered by five insurance companies (American-Amicable Life Insurance Company of Texas, IA American Life Insurance Company, Occidental Life Insurance Company of North Carolina, Pioneer American Insurance Company, and Pioneer Security Life Insurance Company) to their top 40 agents, independent marketing organizations (IMOs), and managing general agents (MGAs).⁵⁶
- A one-week vacation in Australia, offered by Sentinel Security Life.⁵⁷

In addition to offering luxury trips, annuity companies also offer cash bonuses to agents, IMOs, and MGAs who sell their plans. These cash bonuses provide extra incentive for agents to sell particular plans and products—regardless of and even in conflict with the best interest of their

clients. Examples of these bonuses offered by annuity companies in 2024 include:⁵⁸

- Amerigo Financial Life and Annuity Insurance Company offers a 10 percent cash bonus on agents' life businesses, plus an extra 25 percent credit "for sales of our Instant Decision Term Series products - CBO 100, CBO 50, Term 125, Term 100, Continuation 10, Continuation 25, Payment Protector, and Payment Protector Continuation products from July 10, 2023, through the end of the qualification period."⁵⁹
- Oceanview offers a 75 basis points (bps) bonus for "any new policy with a minimum premium of \$300k and a tenor of 6 years or longer" and includes the company's Harbourview MYGA, CA Harbourview MYGA, CA Harbourview FIA, Harbourview FIA products.⁶⁰
- American National Insurance Company offers up to \$2,500 in bonuses for Signature Performance Indexed Universal Life (IUL) paid policies.⁶¹

- Equitrust's limited-time Bridge® Bucks offer gives agents the chance to win an extra \$4,500 on their next three issued cases of Bridge® — in addition to a 1 percent commission.⁶² "There's never been a better time to tell your clients about Bridge® by EquiTrust," the flyer states.⁶³
- AIG Partners Group (now Corebridge Financial) offers hefty bonuses of up to \$54,000 on net weighted premiums of up to \$300,000.⁶⁴

2. Annuity Companies Use Third Party Organizations to Obscure Their Agent Payments.

This investigation also found that annuity companies continue to indirectly offer payments to agents through third-party "Sales and Marketing Organizations" (SMOs) and "Field Marketing Organizations" (FMOs). These organizations provide support for the agents,⁶⁵ including helping recommend annuity products to clients, in exchange for a fee or commission on sales.⁶⁶ FMOs and SMOs offer a menu of perks, such as sales competitions⁶⁷ and other incentive programs.⁶⁸ As AIP Marketing Alliance describes it, "some of [the] carriers" it contracts with "offer extra motivation for life insurance and annuity sales through incentive programs. These rewards range from extra commission dollars to trips based on the agent's production level."⁶⁹

In their responses, the insurers attempted to obfuscate their responsibility for any conflict of interest payments or perks provided to agents through payments made instead to these organizations, or for sales made through these organizations.⁷⁰

For example, Global Atlantic states that it "does not offer 'secretive' or impermissible rewards or incentives to Forethought's financial professionals"⁷¹ —but it does offer "a limited rewards program to its financial professionals in the independent channel"⁷²—in this case, "a trip to breathtaking Half Moon Bay, California."⁷³

EARN A 10% CASH BONUS WITH UFirst CELEBRATE YOUR SUCCESS WITH ADDITIONAL 25% CREDITS!

UNLIMITED EARNING POTENTIAL FOR AMERIGO AGENTS!

Amerigo's UFirst Rewards program pays you cash! You can now earn a **10% bonus check** on your life business. Meet the UFirst Rewards requirements by November 30, 2023, and receive a 10% bonus check in December.

Plus, you can earn an extra 25% credit for sales of our Instant Decision Term Series products - CBO 100, CBO 50, Term 125, Term 100, Continuation 10, Continuation 25, Payment Protector, and Payment Protector Continuation products from July 10, 2023, through the end of the qualification period!

QUALIFICATIONS & REQUIREMENTS

Qualification period runs June 1, 2023, through November 30, 2023. Policies must be paid with the first premium payment applied during the qualification period and must remain active through the free-look period.

- Earn at least 30,000 of qualified life production credits during the qualification period.
- 6-month persistency 85% or better, 12-month persistency 70% or better, and
- Premium Applied Ratio of 70% or better*.

*Credits equal 100% of paid annualized first-year premium up to target unless otherwise specified. *Premium Applied Ratio is measured by all policies issued that receive first premium payment and remain active through the free-look period.*

To qualify for the additional 25% credit on CBO 100, CBO 50, Term 125, Term 100, Continuation 10, Continuation 25, Payment Protector, or Payment Protector Continuation, *Applications must be submitted and paid between July 10, 2023, and November 30, 2023. Does not apply to ADR or Eagle Premier Series. All other UFirst qualifications apply to this promotion.

Applications must be paid between June 1, 2023, and November 30, 2023. Life insurance production will be counted at 100% of paid annualized first-year premium up to target. Premium Applied Ratio is based on paid applications during the qualification period. Medicare Supplement, Annuities, and Call Centers are excluded from the UFirst Rewards incentive program. Controlled business (immediate family members or internal replacements) does not qualify for the bonus payment. Bonus payment will be made to the writing agent only. Agents must be in good standing with Amerigo at the time of payment. Amerigo, at its sole discretion, reserves the right to modify, change, or cancel this promotion at any time.

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CANCUN IS CALLING YOU TO QUALIFY FOR THE 2024 SALES CELEBRATION!

Celebrate your success with an all-inclusive getaway to Grand Fiesta Americana Coral Beach Cancun, a luxury resort characterized by casual elegance, nature and relaxation.

As our celebrated guest, you'll indulge in a five-day escape to one of the most privileged locations on the white sands of Punta Cancun. Shielded from the open sea by the shores of Isla Mujeres, the Grand Fiesta Americana Coral Beach Cancun offers calm, warm and swimmable waters and irresistible tropical weather.

QUALIFICATIONS

Life and supplemental health NAP
January 1, 2023-December 31, 2023

Agent	\$135,000
Agency/manager	\$500,000
Independent partner	\$1,000,000

LATE START QUALIFICATIONS

Our late-start qualifications begin the month after you're appointed, so there's plenty of time to qualify!

	JAN	FEB	MAR	APR	MAY	JUN-DEC
Agent	\$135,000	\$125,000	\$120,000	\$110,000	\$100,000	\$80,000
Agency/manager	\$500,000	\$475,000	\$450,000	\$425,000	\$400,000	\$375,000
Independent partner	\$1,000,000	\$900,000	\$800,000	\$700,000	\$600,000	\$500,000

*Production credits are not issued for annuity business.



JANUARY 22-26, 2024

Call (888) 266-6002 for full details and sales support!



Similarly, Allianz claims that “Allianz Life does not offer sales contests to financial professionals. Allianz Life does not offer reward trips or vacations based on hitting certain levels of Allianz Life sales. Allianz Life does not provide luxury gifts to financial professionals.”⁷⁴ However, Allianz then admits that its affiliated broker-dealer, Allianz Life Financial Services, pays bonuses, etc. to other entities, including FMOs: “Allianz Life may also, as is common in the industry, offer additional compensation opportunities to these FMOs based on sales of Allianz Life products. Allianz Life hosts FMO leaders at business, educational and strategic meetings and may pay the costs of travel, lodging and meals.”⁷⁵

3. SEC/NAIC “Best Interest” Guidelines Are Not Effectively Eliminating Conflict of Interests.

In their responses to the April 2024 letters from Senator Warren, all of the insurance companies provided misleading answers meant to obscure conflict of interest issues. Specifically, the companies asserted that they comply with state and federal laws, NAIC model best interest

rule and SEC standards. As Symetra Financial Corporation said, “the sales of our products are regulated by some or all of these rules.”⁷⁶ However, even if companies complied with all of these rules (and it appears the recommendation of some of Symetra’s products may not),⁷⁷ the companies may still be directly or indirectly providing sales incentives that create significant conflicts of interest—which is exactly why the new DOL rule is needed.

Indeed, the current NAIC “best interest” rule is a best interest standard “in name only”: “[i]t excludes from its definition of material conflicts of interest what are probably the most important sources of a conflict for advice on annuity products – the unfettered ability to earn more compensation by recommending some annuities over other annuities and other investment products.”⁷⁸ As Muir, Stein, and Wooten explain, the regulation of investment advice under the NAIC rule, along with other existing standards, are a patchwork, making it difficult for advice recipients to understand the advice provider’s obligations to provide unconflicted advice: “First, is the investment in a security, an annuity, or something else such as property or commodities? If it is in a security, including one of the subsets of annuities defined as securities, then the SEC regulates the advice giver. If the investment is in an annuity, whether or not the annuity is a security, then state insurance laws apply to the advice giver. If the investment is in something else, then advice on the investment generally is not regulated by either the SEC or state insurance law.”⁷⁹

4. Companies Hide Behind Dense, Inadequate Disclosures of Conflicts of Interests.

Many of the companies claimed that they mitigated the impacts of their agent kickbacks by disclosing conflicts of interests in product prospectuses that are distributed to clients but seem deliberately unreadable. For example, Pacific Life claimed that “such additional compensation, including its potential for conflicts of interest, is fully disclosed to annuity purchasers in the annuity product prospectus.”⁸⁰ Likewise,

Jackson Financial Inc. said that “Product fees and compensation received by Jackson are disclosed to consumers in our variable annuity product prospectuses.”⁸¹

However, these prospectuses can be hundreds of pages long,⁸² and the “disclosure” of conflicts of interest is nearly impossible to locate, and vague at best. For example, on Jackson Financial Inc.’s Jackson Market Link Pro® II Product Prospectus, a disclosure is hidden in the middle of a paragraph at the bottom of page 60 in fine print: “The amount or structure of the compensation can create a conflict of interest as it may influence your Selling Firm and financial professional to present this Contract over other investment alternatives.”⁸³ Likewise, Allianz’s prospectus for its variable annuity product, Allianz Index Advantage+, is 216 pages long, and at the bottom of page 13, next to “Investment Professional Compensation,” the following disclaimer is found: “[y]our Financial professional may receive compensation for selling this Contract to you, in the form of commissions, additional cash benefits (e.g. cash bonuses), and non-cash compensation.”⁸⁴ Thus, “[f]ully disclosing” conflicts of interest in a prospectus is not likely to provide information in a format a purchaser will read, much less understand—and it appears that these disclosures are, by design, hidden from view and incomprehensible.

Indeed, a July 2024 U.S. Government Accountability Office (GAO) report—in which GAO reviewed over 15,000 disclosures and conducted undercover calls to 75 investment advisors—found that investors either do not

review disclosures of conflicts of interest, or they do not understand them.⁸⁵ For example, GAO found that disclosures were generally written at an above college graduate reading level.⁸⁶ As a result, even when conflicts are disclosed, customers are unlikely to be able to protect themselves: one firm noted that out of 15,000 disclosures sent to costumers only one investor asked about it.⁸⁷

The DOL, in drafting the finalized rule, found that:

- “Even with relatively clear disclosures, investors routinely ignore them and are hard pressed to understand them. Investors often lack the requisite financial expertise, disregard the materials they receive, and have trouble following the disclosures or parsing their significance. These problems can be compounded for older and more vulnerable retirement-age investors.
- Merely disclosing a conflict of interest does not give the investor a working model on how to determine the impact of the conflict of interest on the advice they are receiving [...]
- Disclosure can even exacerbate the harmful impacts of conflicts of interest... because they can now treat the customer as duly warned.
- Investors may also feel pressure not to question the adviser’s integrity or deprive them of their livelihood.”⁸⁸

CONCLUSION

The annuity industry's efforts to obscure its pervasive use of kickbacks and perks reveal why the DOL's Retirement Security Rule is needed—and how it will protect consumers. The industry's secret kickbacks hurt consumers by incentivizing agents to sell certain products because they will earn a bigger cash bonus or fancier vacation, not because they are in their client's best interest. However, the financial services industry and Republicans in Congress continue to fight the rule,⁸⁹ and, if they are successful, their hidden kickbacks and junk fees will continue to hurt millions of Americans planning for retirement and cost them billions of dollars.⁹⁰ American workers and retirees deserve better.



2024 AGENT INCENTIVE TRIP QUALIFICATION RULES

Prize: Qualifiers will earn a 6-day/5-night trip for the agent and guest to the ATELIER Playa Mujeres. Trip includes round-trip coach class air transportation from the closest major airport to the qualifier's home to Cancun International Airport, double-occupancy standard hotel accommodations, hotel/airport transfers, and meals for two people, age 18 or older. Trip must be taken by qualifier and a guest on June 3-8, 2024.

Important: Any deviation from the conference program is at the qualifier's expense and subject to availability. All additional travel expenses must be paid in full by the participant prior to the conference. Liberty Bankers Insurance Group reserves the right to revise the rules governing the qualification subjects.

Qualification based on (e.g., Agency, Non-travel, Travel, All Home Office)



Catch a 75bps bonus

The Details:

- ✔ Promotion period runs from **September 5 - November 17, 2023***
*Application must be received by Oceanview during the promotion period, and issued within 60 days of receipt.
- ✔ Get a **75bps bonus** for any new policy with a minimum premium of \$300k and a tenor of 6 years or longer.
- ✔ This includes both our **MYGA and FIA** products.
(Harbourview MYGA, CA Harbourview MYGA, CA Harbourview FIA, Harbourview FIA)

Did you know?

- Our FIA cap and participation rates have recently increased.
- Our FIA contracts have some of the highest fixed-rate crediting strategies currently available.

Explore our client-approved sales tools to grow your sales.

2024 CONVENTION June 19 - June 24, 2024

QUALIFICATION GUIDELINES

Club "40", which includes the top 25 Agents and the top 15 IMOs and/or General Agents, will receive special recognition and awards.

PRODUCTION QUALIFICATION PERIOD:
January 1 - December 31, 2023

MINIMUM QUALIFICATION:

- Producers: \$95,000
- IMO/MGAs: \$750,000
- Maximum 2 Principals per IMO (\$750,000 X 2 Maximum)

QUALIFICATION LEVELS:

CLUB 40 - Top 25 Agents and TOP 15 IMO/MGAs:

- 5 Nights, June 19** - June 24, 2024**

Producers:

- 4 Nights, June 20* - June 24, 2024**
- Depart 1 Day Prior (overnight flight)
- ** Arrive Home 1 Day After (overnight flight)

Invitations are for qualifier¹ and one official guest only. Official guests must be 18 or over. Office staff and non-qualifying agents are not eligible to attend as guests of qualifiers.

Company is not responsible for making arrangements for anyone other than qualifiers and one adult guest to include: rooms, air, transfers or activities. No additional guests or anyone under 18 years of age are permitted to attend Company functions or participate in company sponsored activities.²

Company will make transfer arrangements, room reservations and activity arrangements on designated dates only.³

1 Attendance is by Company invitation only and qualification is based on annualized first year net issued and delivered life insurance premiums during the qualification period and is credited at 100% except for Single Premium Whole Life which is credited at 50% (this credit will be given for Annuity Policies or Annuity Riders). Qualifiers must meet persistency and placement requirements. Current Persistency must be 80% or higher. 12th month persistency must be 80% or higher and placement rate must be 70% or higher. Invitations are not transferable and may not be redeemed in cash. Invites must be in good standing with the Company, stay identified and reported with an American-Associated Group Company, producing and submitting a normal amount of business at the time of convention in order to receive an invitation. The Company reserves the right to withhold an invitation.

2 The Company reserves the right to charge a qualifier's account, due to late cancellation or failure to attend, for actual expenses incurred by the Company on behalf of either the qualifier and/or their official guest, to include but not limited to airfare, hotels, transfers, activities, and functions. If you plan on extending your stay (arriving early or staying later) beyond the standard dates of the Convention, please make note of the following:

- You are responsible for the following items at your own expense:
 - ↳ Transfers to and from the resort/hotel
 - ↳ Any difference in airfare resulting from the alternate dates
 - ↳ Hotel rooms for nights beyond the regular dates
- If you decide to bring additional guests (including children), please make note of the following items:
 - ↳ You are responsible for the following items at your own expense:
 - ↳ Transfers to and from the resort/hotel
 - ↳ Airfare for additional guests
 - ↳ Rooms for additional guests

FREQUENTLY ASKED QUESTIONS

HOW DO I KNOW IF I QUALIFIED FOR THE INNER CIRCLE?
We will notify Inner Circle qualifiers after reaching \$2,500,000 in issued premium.

HOW DOES THE AGENT BONUS PROGRAM WORK?
The bonus paid is based on total issued premium according to the product weights of 100% for FIA and 50% for MYGA premium. Premium must be submitted 1/1/2023 - 12/31/2023 and issued by 1/31/2024. Once a new tier is achieved, the bonus paid is retroed back to the first dollar within the calendar year. For example, if you have \$8 million issued premium according to the premium weights, then you will earn a bonus of 1.50% on the entire \$8 million premium. Bonus will be paid annually.

HOW DOES THE TOP OF QUEUE WORK WITH THE SILAC EXPERIENCE?
When you call into our service line, our phone system will automatically route your call to the Inner Circle team. You will need to complete a form listing all your phone numbers (i.e., office, cell phone, direct line, back office, assistant, etc.) Your phone numbers will be programmed into our system so you will be prioritized as an Inner Circle member. You will be greeted by an Inner Circle service representative who can assist you with all your service needs.

CAN AN AGENT BE REMOVED FROM THE INNER CIRCLE?
Yes, SILAC will regularly monitor production. If your issued premium falls below the qualifying issued amount, then you may be removed from the program.

DOES MY SILAC SALES TEAM STAY THE SAME?
Yes, your Sales Team contact will remain the same.

ARE DEBIT BALANCES FACTORED INTO THE QUALIFICATION CRITERIA?
Yes, Free-looks and cancellations will be subtracted from issued premium.

SILAC INSURANCE COMPANY

FOR AGENT USE ONLY. NOT FOR PUBLIC DISTRIBUTION.



Get the Oceanview team to get started!
-833-656-7455

FOR PROFESSIONAL USE ONLY

APPENDIX

Appendix A.

Companies Offering Incentives for Annuity and/or Insurance Sales (Vacation Perk) in 2024	
Assurity Life Insurance Company	Four-night trip to Vancouver, British Columbia for invited individuals and an approved guest "at the company's expense." ⁹¹
Washington National	"Celebrate your success with an all-inclusive getaway to Grand Fiesta Americana Coral Beach Cancun, a luxury resort characterized by casual elegance, nature and relaxation." ⁹²
OneAmerica Financial Partners	"OneAmerica will pay eligible expenses" For producers to attend the 11-day OneAmerica Chairman's Trip to New Zealand. ⁹³
Globe Life	A four-day trip at The Brown Palace Hotel in Denver, Colorado offered by Globe Life. ⁹⁴
American-Amicable Life Insurance Company of Texas	Five nights in Venice, Italy sponsored by the American-Amicable Group of companies "company will make transfer arrangements, room reservations and activity arrangements on designated dates." ⁹⁵
IA American Life Insurance Company	Five nights in Venice, Italy sponsored by the American-Amicable Group of companies, the "company will make transfer arrangements, room reservations and activity arrangements on designated dates." ⁹⁶
Occidental Life Insurance Company of North Carolina	Five nights in Venice, Italy sponsored by the American-Amicable Group of companies, the "company will make transfer arrangements, room reservations and activity arrangements on designated dates." ⁹⁷
Pioneer American Insurance Company	Five nights in Venice, Italy sponsored by the American-Amicable Group of companies, the "company will make transfer arrangements, room reservations and activity arrangements on designated dates." ⁹⁸
Pioneer Security Life Insurance Company	Five nights in Venice, Italy sponsored by the American-Amicable Group of companies, the "company will make transfer arrangements, room reservations and activity arrangements on designated dates." ⁹⁹
Transamerica	Five-Day trip to the Solage Resort in Napa Valley, California offered by Transamerica. ¹⁰⁰
Liberty Bankers Life	"Experience a luxurious and relaxing getaway to a 5+ star private resort in Playa Mujeres, Mexico, with Liberty Bankers Insurance Group (LBIG). Explore all the Caribbean has to offer during your six-day, five-night stay when you travel BIG with LBIG." ¹⁰¹
Sentinel Security Life	A one-week Vacation to Port Douglas & Sydney, Australia offered by Sentinel Security Life. ¹⁰²
Baltimore Life	Four-day trip to the Hyatt Zilara Cap Cana Resort in Punta Cana offered by Baltimore Life. ¹⁰³
SILAC	"Join us on a private, LUXURY DANUBE RIVER CRUISE where we will explore Passau, Salzburg, Vienna and Budapest." ¹⁰⁴

Appendix B.

Companies Offering Incentives for Annuity and/or Insurance Sales (Cash Bonus) in 2024	
Corebridge Financial	"2023 QoL Bonus" equal to 20% of total Net Annualized Weighted Premium in Excess of \$30,000. ¹⁰⁵
American Equity Investment Life Insurance Company	"Exclusive rewards and benefits." Such as the premier loyalty rewards program which gives members "reward payments on qualifying production." and a FedEx shipping discount of "up to 55% of retail FedEx rates." ¹⁰⁶
American National Insurance	"Earn Up to \$2,500 in bonuses for signature performance IUL paid policies." ¹⁰⁷
Americo	"Unlimited earning potential for Americo agents! Americo's UFirst Rewards program pays you cash! You can now earn a 10% bonus check on your life business." ¹⁰⁸
Legacy Marketing Group	"With Legacy's one-stop shop, that's up to \$5.5 million per owner without prior home office approval!" ¹⁰⁹
Mutual of Omaha	"We are thrilled to introduce the Four Quarters Club, a brand-new incentive program that pays out a 10% producer bonus on a quarterly basis to all qualifiers." ¹¹⁰
North American Company for Life and Health	"The Exclusive Producers Connection" ¹¹¹ that would pay producers "0.50%, 1.00% or 1.50%" ¹¹² on first year FIA Premiums.
American Financial Security life insurance Co.	"150 per approved UW Med Supp App. Take your shot with American Financial Security Life Insurance Co." ¹¹³
EquiTrust	"Earn up to an extra \$4,500 on your next three issued cases of Bridge® with our limited-time Bridge® Bucks offer." ¹¹⁴
Fidelity & Guaranty Life Insurance Co.	"The program gives agents the opportunity to earn basis points on total annual paid premium on calendar year production." ¹¹⁵
First Catholic Slovak Ladies Association of the United States of America	Agent Sales Campaign, with a "\$250 Bonus awarded to agents" ¹¹⁶
Oceanview Life and Annuity Company	"Get a 75bps bonus for any new policy with a minimum premium of \$300k and a tenor of 6 years or longer." ¹¹⁷
Ameritas Life Insurance Corp.	"With Legacy's one-stop shop, that's up to \$5.5 million per owner without prior home office approval." ¹¹⁸
Integrity Life Insurance Company	"With Legacy's one-stop shop, that's up to \$5.5 million per owner without prior home office approval." ¹¹⁹
Aspida	"[W]e are pleased to offer an additional commission bonus plan to individuals in the IMO space selling the Synergy Choice™ Fixed Index Annuity through the end of 2023." ¹²⁰

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