

Regulation Best Interest (Reg BI) - Potential Conflicts of Interest

Fixed and Variable Annuities and Insurance

Potential Conflicts of Interest

We work with various insurance companies to offer fixed and variable annuities and insurance. Each company offers a range of products, and may offer different types of compensation to our representatives who offer their products.

In addition, some variable insurance and annuity products offer different share classes, with different investment requirements, surrender charge schedules, and mortality expense and administration fees.

These varying levels of compensation may give our representatives incentive to encourage you to purchase one type of product over another, or to transfer from one product to another, based on the compensation received.

How We Eliminate or Mitigate Conflicts of Interest

We prohibit any sales contest that would give representative incentive to offer preferential treatment to one insurance company, one insurance product or annuity, or one share class over another. During our discussions with you regarding fixed and variable annuities and insurance, we use the SLR New Account Disclosure Document, as well documents provided by the insurance companies, to determine the following:

- Whether an annuity or insurance product is in your best interest;
- If so, which specific annuity or insurance product is in your best interest; and
- Which insurance company or companies offer such a product.

We consult with you to gather information about you and your needs to determine what option is in your best interest. We discuss and document, at minimum:

- Your investable assets, and what proportion these assets comprise your overall assets.
- Your available liquid assets, aside from the assets considered for investment.
- Your overall investment profile, including your investment objectives, time frame, and level of investment experience and sophistication.
- Your age, and the age of any co-insured parties.
- Your tax status, current contributions to tax advantaged accounts, and need for additional tax deferral.
- Your understanding of the illiquid nature of annuities and insurance products.
- Your understanding of the time frame and restrictions of each option.
- Fees, expenses, and penalties for early termination or withdrawal.
- Reputation and strength of the insurance company.
- Your desire for life insurance.
- Any other relevant factors, including your personal preferences.

In addition, for variable annuities and variable insurance, we discuss and document:

- The various share or unit classes offered, and the charges for each.
- Range of investment choice offered.
- The management fees (“expense ratio”) for each investment choice.
- Ease of access and transfer between investment choices.

We believe that these tools and discussion will provide us with the ability to help you determine whether fixed or variable insurance or annuities are in your best interest, and if so, which product or products are in your best interest.