

# Market Conduct & Reference Guide

FOR OUR PRODUCERS

If you are affiliated with an agency, bank, broker/dealer, advisor, broker or consultant or other similarly-regulated entity, you should use the information in this Guide in conjunction with the policies and procedures of that entity.

# About Symetra



Earning your trust for over 60 years

## Who we are

A company headquartered in Bellevue, Washington, with offices in cities across the country.

## What we sell

Annuities, life insurance and employee benefits that help provide security and confidence.

## Why it matters

We help people create secure retirements, protect their families and get benefits at work.

### Symetra Life Insurance Company

State of Domicile: Iowa

#### Statutory Home Office:

4350 Westown Parkway, Suite 180, West Des Moines, IA 50266

#### Principal Place of Business:

777 108th Ave NE, Suite 1200, Bellevue, WA 98004

Licensed in all states except New York.

### First Symetra National Life Insurance Company of New York

State of Domicile: New York

#### Statutory Home Office:

420 Lexington Avenue, Suite 300, New York, NY 10170

#### Principal Place of Business:

777 108th Ave NE, Suite 1200, Bellevue, WA 98004

Licensed in New York State only.

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# A note to our valued producers

Thank you for doing business with Symetra. Your skills and services are invaluable in helping individuals and employers obtain the protection they need.

Our business is based on the guiding principles of **Value, Transparency, and Sustainability**.

- **Value:** Products and solutions people need at a competitive price, backed by dedication to excellent customer service.
- **Transparency:** We communicate clearly and openly so people can understand what they're buying.
- **Sustainability:** Our products stand the test of time. We're financially disciplined so we'll be here when customers need us.



We expect our agents and brokers to uphold similar values in selling Symetra products. To support those efforts, I am providing this Market Conduct and Reference Guide (The Guide). The Guide includes important reminders about applicable rules and regulations for doing business with Symetra. The Guide also has contact information so you can obtain prompt assistance with any questions you may have regarding your relationship with Symetra.

Thank you again for all you do to help meet the life, retirement and benefits needs of customers.

**Maureen H. Henderson**

Senior Vice President and Chief Compliance Officer

# Symetra Contact Information

## Producer Portal

### **www.symetra.com**

Take a moment to register at our helpful portal, where you'll gain access to Symetra forms, product information, client information, pre-approved advertising materials, additional contact information and more.

## Symetra Compliance Dept.

### General Compliance Questions:

comply@symetra.com

### Anti-Money Laundering or

### Unusual Activity Reporting:

aml@symetra.com

### Security or Privacy Breach Reporting:

privacy@symetra.com

### Anonymous Ethics Hotline/Fraud Reporting:

1-888-280-0567

### Complaint Team:

ComplaintReview@symetra.com

## Training contacts and links

### Product, Anti-Money Laundering and Anti-Fraud Training

### Retirement Sales Desk:

1-800-706-0700 or invest@symetra.com

### Life Sales Desk:

1-877-737-3611 or lifesales@symetra.com

### Fax:

866-817-9751

<https://financialprofessionals.symetra.com/SalesTools/LearningCenter/ProductTraining/>

### Anti-Fraud Training:

investigations@symetra.com

## Advertising questions or submissions

### Individual Life & Retirement

### Individual Life Sales Desk:

1-877-737-3611 or lifesales@symetra.com

### Retirement Sales Desk:

1-800-706-0700 or invest@symetra.com

### Benefits

1-800-426-7784

## To update contact information

### Appointments Team:

contracting@symetra.com

## General comments or questions about Symetra or our products

### Individual Life Sales Desk:

1-877-737-3611 or lifesales@symetra.com

### Retirement Sales Desk:

1-800-706-0700 or invest@symetra.com

### SPIA Hotline:

1-855-792-SPIA (7742)

### Benefits:

1-800-426-7784, Option 2 or

grpfsu@symetra.com

## SECTION 1

# Getting Started

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### 1.a. Clarifications

#### **Use of Emphasis**

You may notice the use of bold font or underlining throughout this Guide to emphasize certain guidance. Our emphasis merely corresponds with frequently asked questions and in no way diminishes your obligation to comply with all policies and guidance contained in this Guide.

#### **For Producer Use Only**

This Guide is not intended for public distribution or distribution to anyone who is not appointed or affiliated with Symetra.

### 1.b. Definitions

#### **Application**

A written request on a Symetra-approved form for a new contract or policy or a change or addition to an in force contract or policy.

#### **Compliance**

Unless specifically noted otherwise, any reference to a compliance entity indicates Symetra's Compliance Department.

#### **Consumer**

Any person, entity or business that may make a decision to purchase, or not, a Symetra product or service.

#### **Contract**

An annuity contract or life, health or accident insurance policy (including riders, endorsements or amendments) issued by Symetra as a result of an application.

#### **Producer**

An individual who, acting alone or as an agency, is licensed to sell life and health insurance, and is appointed by Symetra to solicit and service retirement, benefits or life products. Includes agents, agencies, brokers, registered representatives and advisers or other appointed individuals and is generally referred to in this Guide as "you."

#### **Symetra**

Symetra Life Insurance Company, First Symetra National Life Insurance Company of New York and Symetra National Life Insurance Company. May be referred to for convenience throughout this Guide as "Symetra", "our", "us", "we," or "Company."

#### **Symetra products or services**

Any retirement, benefits or life product issued or serviced through Symetra Life Insurance Company, Symetra National Life Insurance Company or First Symetra National Life Insurance Company of New York.

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## 1.c. The Scope of Your Activities with Symetra

This Guide discusses certain restrictions and prohibitions that apply to the scope of your activities related to the offer, sale and servicing of Symetra's insurance products to consumers. Information in this guide applies to all producers offering retirement, benefits and life products unless specifically noted to the contrary.

Company guidelines recognize certain activities that fall within your scope as a producer. This excerpt from the Iowa Insurance Bulletin 11-04, based on the National Association of Insurance Commissioners (NAIC) model regulations, generally outlines those activities:

A producer may discuss a consumer's risk tolerance, financial situation, and needs. This may include a discussion of the consumer's:

- a. Financial experience;
- b. Financial objectives, including whether the consumer needs to earn a guaranteed rate of interest, needs guaranteed minimum increases in guaranteed values, or wishes to have available a minimum lifetime income stream;
- c. Risk tolerance, including need for principal protection or protection from market risk;
- d. Need to balance and diversify risk, including the need for product or issuer diversification that may support an insurance position within a consumer's financial plan;
- e. Tax status of the consumer and general rules applicable to annuities and life insurance (Symetra understands "tax status" to include "tax bracket" and any other aspect of a customer's finances which may potentially be impacted by the payment of premiums OR by receipt of proceeds from a Symetra product);
- f. Existing assets, including annuity, investment, and life insurance holdings;
- g. Financial resources generally available for the funding of the annuity, life insurance, or benefits offering;
- h. Liquidity needs and liquid net worth, including whether there are funds other than those being used to purchase the annuity or life insurance that will be available during the surrender period of the annuity or life insurance for emergency or urgent needs, and where those funds are located;
- i. Financial time horizon; and
- j. Intended use of the annuity or life insurance policy.

A producer may discuss the stock market in general terms, including market risks and recent or historic economic activities that are generally known to the public and regularly discussed in public media.

A producer's general discussion outlined above, should only be to the extent that the discussion is a necessary component of the producer's insurance services and to the extent that the information is used to give the producer reasonable grounds for believing that the recommendation to purchase, borrow against, exchange, or replace an annuity or life insurance is suitable for the consumer.

In his or her general discussion with the consumer, the producer may discuss and complete suitability, replacement, and exchange or transfer forms as required by state insurance regulations.

In his or her general discussion about the expectations of the funds being considered to purchase the annuity or life insurance, the producer may discuss: that the funds need protection from market risk; that the tax status of the funds and that tax deferral needs to be utilized or maintained; that the funds may be needed to provide a lifetime income stream; that the funds need to earn a guaranteed interest rate; or that there are other funds available during the surrender period of the annuity or life insurance for emergency or urgent needs and where those funds are located.

A producer may have general discussions about balancing risk, diversification, etc., that support an insurance position within a consumer's financial plan.

A producer may provide advice as part of a financial plan. When doing so, a producer should clearly identify himself or herself as an individual who holds an insurance license and explain that such license authorizes the



person to discuss how annuities or life insurance products may fit into the consumer's financial plan and that he or she is authorized to sell annuity or life insurance products and not sell, recommend or provide advice about securities (unless separately and adequately as a registered representative or an investment advisor representative).

Producers who are also registered representatives or investment advisor representatives are required to independently comply with all state and federal laws and regulations regarding the business of investment advice, including financial planning.

The following activities are specifically prohibited for producers who lack appropriate securities licenses:

- k. Discussing risks specific to a consumer's individual securities portfolio.
- l. Providing advice regarding a consumer's specific securities or securities investment performance, or comparing a consumer's specific securities or securities investment performance with other financial products, including annuity contracts or life insurance policies. Prohibited comparisons include any representations in tabular, graphic or other forms, which unfairly or inappropriately imply that an insurance contract is equivalent to or a substantially similar replacement for investment in securities or in a broad based investment portfolio.
- m. Recommending the liquidation of specific securities, or identifying specific securities that could be used to fund an annuity or life insurance product, including but not limited to variable annuities or variable life insurance.
- n. Recommending specific allocations, in dollars or percentages, between insurance and securities products.
- o. Offering research, analysis or recommendations to a consumer regarding specific securities.
- p. Using the following term or terms: investment adviser, securities agent, or investment adviser representative under securities laws; and similar titles that tend to indicate to customers that the individual is licensed to provide investment advice, that the individual is licensed to sell securities, or otherwise holding the individual out as providing investment advice to others, when the individual is not so licensed.
- q. Completing securities forms, except for:
  - 1. Providing general information to the consumer related to the consumer's existing or new annuity, benefit or life insurance product;
  - 2. Assisting with forms that are required by Symetra to complete an insurance transaction; and
  - 3. Assisting with forms that are required by insurance regulations.

It is vital that you as a producer, offering Symetra's insurance products and services, be aware of and proactively comply with the licensing, appointment and solicitation rules of each state in which you write, or intend to write, business.

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## 1.d. Licensing and Appointments

Through the appointment process, you are granted an authority to act on behalf of Symetra. That authority is subject to a number of terms and conditions in addition to our expectation that you will act in compliance with all applicable state, federal and other laws and regulations, and with the highest ethical standards.

You should refer to your executed Symetra Sales Agreement and associated amendments, if any, for specific terms and conditions that apply to your appointment.

Some points to remember regarding your appointment with Symetra are:

- You must comply with licensing and registration requirements and secure an appointment with Symetra where required prior to offering, which may be defined by some states as quoting, selling, negotiating, soliciting and/or advertising of any insurance products in a state or to residents of a state in accordance with the NAIC's producer Licensing Model Act, as adopted by those states.

- You must answer honestly to all “yes” and “no” questions put to you during the appointment process and keep that information up-to-date, communicating any material changes to Symetra thereafter if your appointment is granted.
- It is within Symetra’s sole discretion to accept your request for appointment.
- States differ in how they categorize the line(s) of business appearing on your license. You are responsible for gaining the proper state license and, as applicable, FINRA registration, in the applicable line(s) prior to requesting any appointment with Symetra.
- Under no circumstances may you act as a “surrogate” for a non-licensed or non-appointed producer. This means that if you sign an application as producer, you must be the person who met with the consumer or solicited the application.
- If you do business in the State of New York and other states, Symetra will issue you a writing number for your New York business and a separate number for the other states. You must take care to use the appropriate number in the correct state(s).
- Symetra will not pay commission for any sale, which occurred prior to you being properly licensed, even if you fulfill all licensing requirements after the sale.
- Refer to the section of this Guide that discusses cross-border sales to ensure you meet Symetra’s licensing expectations related to out-of-state situations.
- In addition, your administrative staff and vendors (if any) must either limit their activities to clerical and administrative functions or must have all required licenses and a company appointment.
- Your ability to act as an agent/producer for new business will terminate when your license or appointment is revoked, terminated, lapsed or not renewed. In order to ensure ongoing access to in-force customer information, statements or other policy-related communications, you must maintain an active appointment with Symetra.

Items reviewed to determine your eligibility for initial and ongoing appointment may include but are not limited to:

- Criminal background
- Financial background
- Regulatory action and/or sanction history
- Civil litigation
- Complaint history
- License status and work history
- Training and continuing education
- OFAC (Office of Foreign Assets Control)

**Your appointment with Symetra will continue at our sole discretion.**

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### **1.d.i. Your Background**

In order to assure a high level of quality among those who offer our products, Symetra will investigate and consider your background to determine your general character and reputation. This review initially occurs at the time of your appointment with us and may periodically recur at our discretion or as required by state or other regulations thereafter. Symetra may be required to obtain a producer’s permission to conduct a background check. Failure to provide permission for Symetra to perform a background check may result in the termination of appointment.

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## 1.d.ii. Keeping Your Information Current

Symetra requires that you maintain a current email and mailing address on file at all times. We use the email address you provide as our primary means of contact with you.

To ensure your contact information is current and that you receive our communications promptly, please notify our **Contracts & Licensing Team** immediately if your email or mailing address changes. Refer to the insurance department of the state(s) in which you conduct business to ensure you comply with any additional reporting requirements they may impose.

In addition to keeping your contact information current, you are required to inform Symetra's Compliance Department if you are convicted of any felony at any time during your appointment with us.

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## 1.d.iii. Professional Liability (Errors & Omissions) Insurance

You must maintain errors and omissions coverage acceptable to Symetra at all times during your appointment with us, and you must promptly cooperate with any request we make for evidence of that coverage.

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## 1.e. Training and Education

Training and education build competency and allow you to help consumers make informed buying decisions. Even though some states allow "pre-appointment solicitation," you should familiarize yourself with our products, procedures, and compliance policies prior to writing business.

If you plan to offer any Symetra annuity products, including variable or fixed indexed annuity products, you must complete our product specific training and we must verify that you have met applicable state requirements, including registration with FINRA as applicable, for annuity continuing education prior to you submitting any business.

See the link in the **Symetra Contact Information** section of this guide for direct access to our training programs. Some states also mandate general annuity training and specific product training that must be completed prior to soliciting their consumers. You must review the product training and education requirements for the state(s) you plan to solicit in. If you are unsure of any state's annuity training requirements, contact our **Product Training** team for additional guidance.

Symetra will not complete an appointment request until all prerequisite product and/or education, including continuing education (CE), requirements are satisfied.

If you submit any new business and we determine that you have failed to satisfy any required training, that business may be rejected.

You must promptly cooperate with any request from Symetra for evidence of your completion of state or product education or training.

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## 1.e.i. Anti-Money Laundering Training

Prior to submitting your first piece of business in any line other than group benefits and medical stop loss, you must provide documentation of a completed AML course (excluding FINRA registered representatives who have completed an AML course through the broker-dealer with whom you are registered). You may submit documentation of an AML course completed elsewhere but acceptable to Symetra. Producers who have completed AML training will be required to renew their training certification two years after their initial training or sale. If the producer's certification expires, new business will not be accepted until the renewal training is completed. Refer to the **Symetra Contacts** section of this guide for direct access to our training programs.

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## 1.e.ii. Continuing Education and Training

The insurance industry provides countless opportunities for continuing education. You can further your knowledge by participating in industry associations or by pursuing professional designations such as the CLU, CFP, ChFC, and others.

In addition to basic continuing education requirements, many states have enacted additional requirements for producers, including mandatory training on certain categories of insurance products or on various market conduct subjects such as suitability.

See the link in the **Symetra Contacts** section of this Guide for direct access to our training programs.

To ensure you meet all applicable continuing education requirements, you should:

1. Study and understand the information communicated in this Guide, including all updates;
2. Read and follow Symetra's periodic bulletins and Compliance Reminders;
3. Know the insurance regulations of the state(s) where you do business; and
4. Maintain a personal education plan to ensure you complete all required product, ethics, anti-money laundering and/or other continuing education or training.

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## 1.f. Commission

Commission will be paid to you or your agency in accordance with the most current commission schedule in effect for your agreement or applicable amendment, which may be delivered via email after your initial appointment with Symetra based on application signed date, if the business is approved by Symetra. The right to receive commission is conditioned on your satisfactory service to your clients, your continued status as an appointed Symetra producer and agent of record.

Symetra may establish a reasonable minimum amount for commission payments. If the amount due is less than such sum, the balance will be carried forward to the next payment date until the minimum amount is reached.

Undistributed commission on the books of Symetra and its affiliates may, at the Company's sole discretion, be applied at any time as a chargeback to and as an offset on any due and unpaid obligations you or your agency owe to the Company. If commission owed by you or your agency to Symetra exceeds commission payable to you or your agency, you or your agency must immediately make arrangements to repay Symetra all amounts it is owed.

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## 1.g. Multiple Writing Agents

All writing agents are expected to sign and agree to the statements, attestations, and requirements of the writing agent in the policy application, agent report or drop ticket. If a writing agent's name appears on the application, agent report or drop ticket, but such agent does not sign such document, the agent agrees that the signing agent(s) signature will bind them in the same manner as if they had signed the document themselves.

## SECTION 2

# General Solicitation & Sales Materials

### 2.a. Advertising Dos and Don'ts

All sales materials used to discuss, describe, promote, portray or present Symetra, its products or services, or features, must be approved by Symetra's Compliance Department prior to use. To ensure our review goes as smoothly as possible, please keep the following guidance in mind if you choose to create your own materials:

Sales materials for use with our products must:

- Be accurate, complete and balanced;
- Clearly state the full licensed name of the insurance company; it must appear before any shortened version of the company name and include your license number, if applicable.
- Accurately and completely describe any charges, costs, purchase payment(s), premiums, deductibles or other limitations for products or services;
- Disclose all relevant limitations or exclusions as well as the features and benefits of products;
- Be clear and understandable to someone who is not knowledgeable in insurance terminology;
- Clearly delineate that the offering party, as applicable, is not an affiliate of Symetra (e.g. "the insurance distributor named in this document is an independent producer who represents multiple insurance companies");
- Identify the source of any data you did not create yourself. Statistics must be current, valid, footnoted and applicable to the product being promoted; and
- Comparisons to other financial products must be like for like, clear, complete and balanced.

Sales materials may not:

- Contain any misleading or untrue statement or any statement that exaggerates the facts or makes an unwarranted statement or claim;
- Make unfair, unbalanced or otherwise inappropriate, inaccurate or prohibited comparisons to any products, classes of products; indices, investments or investment strategies;
- Minimize, obscure or present in a misleading or ambiguous fashion any information that is required to be disclosed, or any features or benefits of the product or service being offered;
- Imply or state that premium payments are "deposits," "investments," "savings," or "contributions";
- Use words such as "extra," "special" or "added" to describe the policy or a benefit in the policy;
- Use words such as "low cost" or "budget" to describe premiums or use words such as "only" or "just" in connection with statements of premium amounts;
- Use testimonials or endorsements that are untrue or symbols or terminology that would lead the individual to confuse the materials with any government-sponsored program;
- Use words such as "only," "just," "merely," "minimum," "necessary" or similar words or phrases to describe the applicability of any exceptions, reductions, limitations or exclusions; or
- Contain statements such as "no red tape" or "here is all you do to receive benefits."

You must avoid:

- References to potential or perceived legal or tax advantages;
- Describing product features or benefits as "unique" or using any similar words or phrases;

- Minimizing, obscuring or presenting in a misleading or ambiguous fashion any information that is required to be disclosed, or any features or benefits of the product or service being offered;
- Absolute words or phrases such as “all,” “full,” “unlimited,” “never” or similar words and phrases, in a manner which exaggerates any benefits beyond the terms of the policy; and
- Words such as “free,” “no cost” and “no extra cost” unless actually true and then only if the source of actual payment for the benefit is prominently identified or text indicates the charge is included in the premium.

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## 2.b. Symetra’s Approval Required

All sales materials that are used to solicit, sell, or service Symetra products and services must be approved by Symetra’s Compliance Department in writing prior to use.

Symetra’s review can help to assure that materials you use meet advertising standards and applicable requirements. Our approval criteria generally follows the NAIC Advertisements of Life Insurance and Annuities Model Regulation, NAIC Advertisements of Accident and Sickness Insurance Model Regulation, as well as our own best practices modeled after both NAIC and FINRA guidelines and derived from interactions with customers, regulators and producers.

Printed materials that we have approved will contain an official form number printed in the lower left corner and date extension in the lower right corner of the front page (exceptions may be granted for certain group benefit pieces). Electronic pieces and web sites have a “Home Office” approval notification included in their text. During the sale of our products, you may not use any piece that does not appear to have been approved by Symetra.

If any printed piece does not contain an official Symetra form number or otherwise appear to be approved, you must immediately stop using the piece and must send a copy to Symetra’s Compliance Department for review.

Upon receipt of the piece, we will review the material and:

- Make necessary changes.
- Assign a form number in the lower left corner and a date extension in the lower right corner. An exception to this requirement may be granted for certain group benefit pieces.
- Return the material to you for printing (including the form number and date extension).

Once the piece is final and has been printed, you must submit that final version to us by fax or email using the contact information on [page 6](#) of this Guide.

If you change any part of a previously-approved piece of advertising, including a change to any font, color or picture, you must re-submit that piece, with all changes noted, for re-approval prior to use.

If you conduct business through a broker/dealer or similarly regulated financial institution, you should submit materials to that institution for approval after you’ve gained Symetra’s approval.

In some cases, state and/or FINRA and SEC filing and review is required prior to using a piece. For state filings, you will be notified when the piece has been approved and is available for use. For FINRA filings, if changes are required, you will be notified.

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## 2.c. Identity of producer, Purpose of Contact (Pretext Selling)

As you contemplate your marketing approach, you must remain aware of the advertising requirements in every state in which you intend to do business. A growing concern identified by regulators in recent years is the failure of insurance producers to clearly identify themselves as such and to attempt to camouflage their ultimate reason for contacting a consumer.

Most states require that you clearly and conspicuously identify yourself as a “licensed insurance agent,” “licensed insurance producer” or “licensed insurance professional” on all “first point of contact” materials such as prospecting letters and seminar invitations. Such pieces also must clearly state that their purpose is to promote an insurance product.

Symetra products and services may not be marketed using practices through which:

- The true purpose of a seminar, workshop, meeting or appointment is disguised through the use of subject matter other than insurance products, particularly in marketing materials such as seminar invitations; and/or
- Your true identity as a person engaged in the sale of insurance products is not disclosed, and some alternative description is used that could mislead a consumer into believing your contact is unrelated to the sale of an insurance product. Subjects often involved in allegations of pretext selling include but are not limited to: living trusts, tax preparation, avoiding probate, Social Security benefits, Medicaid planning, and Roth IRA conversions.

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## 2.d. Fair Competition

Symetra promotes only fair competition in the marketing and sale of our products.

We expect you to conduct business according to the highest standards of honesty and fairness.

You must comply with the applicable state and federal laws fostering fair competition.

You may never participate in unfair trade practices or illegal activities including but not limited to:

- Coercion, boycott or intimidation
- Defamation
- Discrimination
- Deceptive advertising
- Illegal premiums or charges
- Misrepresentation
- Rebating
- Twisting or churning

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## 2.e. Promotional Concepts

Symetra encourages you to submit new ideas and marketing concepts or programs for evaluation.

We recognize that many new ideas on how to use insurance products originate in the field.

However, there may be instances in which creativity and enthusiasm around particular sales concepts can lead to disappointment and dissatisfaction for consumers. Additionally, some sales concepts make irresponsible assumptions about tax or other consequences and can lead to consumer misunderstanding and confusion.

Therefore, it's important that you carefully discuss any promotional concept with the appropriate Symetra Sales Desk. They will work with our Compliance and Marketing teams to evaluate the idea and decide whether it might be explored further, must be reworked or perhaps just rejected.

During this review, Symetra will determine whether the idea will reasonably comply with applicable laws and regulations, as well as with company policies.

Symetra's review of any marketing idea, concept or program does not constitute legal advice. You must always recognize your own obligation to comply with applicable advertising and marketing laws and regulations, and we recommend that you contact a legal professional to also review any advertising you develop.

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## 2.e.i. News or Media Communications

Any communication with the news or other media about Symetra, be it the company, its affiliates, and/ or its business or products, must be pre-approved in writing by Symetra and, in most instances, handled solely by Symetra's Corporate Communications Department.

If you are presented with a speaking opportunity, or are in any other way asked or requested to comment about Symetra (including media inquiries), you must contact Symetra's Corporate Communications Department for review and instruction prior to proceeding.

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## 2.e.ii. Social Networking

Pre-approval by Symetra's Corporate Marketing and Compliance Departments is required prior to posting any Symetra-related information on or in a conversation on Facebook, X (formerly known as Twitter), LinkedIn, YouTube or any other current or future form of social networking. If you receive Symetra's approval for a post, you must seek new approval anytime some or all of the post content changes.

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## 2.f. Use of Professional Designations

Symetra supports your continuing education efforts, including the pursuit of professional designations to further your professional abilities and knowledge. However, with the increasing number of designations available in recent years, it has become more difficult for consumers to determine the level of education, training or expertise that some designations appear to represent.

If a designation is not approved by a state in which you do business, that designation cannot be used in conjunction with the marketing or sale of Symetra products in that state.

Professional designations may only be used in a manner that is consistent with ethical business practices, state and federal laws and regulations, and that does not obscure the fact that you are a licensed insurance "agent" or "producer." You must promptly comply with any request from Symetra for evidence supporting any professional designation(s) you may use.

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## 2.g. Illustrations and Proposals

An illustration is an important tool in many insurance sales. An illustration provides the consumer with a tangible representation of the intangible properties of life insurance and the value and importance annuities can help provide in retirement planning. How well this important tool is understood can play a crucial role in turning a consumer into a client.

When using an illustration with a consumer, you are expected to fully explain its hypothetical nature. You should point out the illustration's assumptions and limitations and the fact that values in illustrations are projections and are not guaranteed.

You must review any illustration of premium with the consumer. As applicable, you must ensure they understand the amount, due date, frequency and payment method for any anticipated premium payment(s).

You must also inform consumers of the potentially severe impact that any failure to pay premiums as illustrated may have on their policy and coverage. As you know, when an illustrated premium payment is skipped, the amount of the death benefit or the duration of the guarantee period may be impacted, and the policy may lapse.

Symetra expects that you will work with consumers to ensure they fully understand the product they purchase and thus pay any applicable premium in a timely manner. Any pattern of failure to pay premiums as illustrated may lead to disciplinary action up to and including termination of your Symetra appointment.



You may never:

- Guarantee rates, values, or projections in an illustration when they are based on non-guaranteed rates, non-guaranteed charges, or hypothetical performance or assumptions.
- Suggest or imply that such rates, values or projections will, in fact, be achieved even though not guaranteed.
- Alter, modify, mark on or remove pages from illustrations. If one page is missing, the illustration is incomplete and may not be used.

### **Product Illustrations (Life and Annuity)**

Symetra provides quotes and illustrations for the majority of its products. Only quotes or illustrations from Symetra may be used for Symetra products.

If a product is not sold “as illustrated,” a new illustration, marked “revised” and signed by the consumer, must generally be received by Symetra with the application.

The content and use of illustrations is highly regulated at the state level. Advertising laws and unfair trade practice statutes must be regarded when an insurance product is portrayed or depicted in any presentation, including illustrations.

The foundation for our policies on the use of illustrations is the NAIC’s Life Insurance Illustrations Model Regulation and the NAIC Annuity Disclosure Model Regulation. While these model regulations have been adopted by many states, there are some states that have significant variations. Therefore, not all Symetra life insurance products are illustrated under the state-specific requirements.

A product illustration has these primary consumer-oriented goals:

1. Provide a narrative of how the policy works;
2. Clearly state that non-guaranteed values are subject to change;
3. Show what happens to values if non-guaranteed values change;
4. Define what premium must be paid to guarantee the death benefit, if any; and
5. Avoid unreasonable expectations.

The expected results of providing a consumer with well-designed and informative illustration include:

- Better educated consumers;
- Enhanced consumer appreciation of the features and benefits of the insurance;
- Preparing clients for changes and ongoing policy management;
- Improved persistency for producers;
- Reduced complaints;
- Building stronger client relationships; and
- Increased sales.

When using an illustration to promote any Symetra product, we remind you that you must follow regulatory requirements and you may not:

1. Misrepresent the policy or contract in any way;
2. Use or describe non-guaranteed elements in a manner that is misleading or has the capacity or tendency to mislead;
3. State or imply that the payment or amount of non-guaranteed elements is guaranteed;
4. Use an illustration that at any policy or contract duration depicts performance more favorable to the consumer than that produced by the illustrated scale; or
5. Provide a consumer with an incomplete illustration.

Additional questions regarding the use of illustrations should be referred to the Life or Annuity Sales Desk.

### **Proposals (Benefits Policies)**

Proposals must include the date the proposal is to be presented and must prominently contain the following disclosures:

1. Proposal valid through (applicable expiration date).
2. Proposal will not be extended beyond the effective date.
3. Proposal is based on information provided and subject to underwriting.

## SECTION 3

# Interactions with Potential Clients

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Symetra is committed to a needs-based selling approach to enhance your effectiveness in fulfilling the protection goals of our customers. To match that commitment, we need you to be as thorough as possible in meeting the financial objectives of each customer.

This section discusses concerns and prohibitions that you must remain aware of when marketing Symetra products to the public.

Prohibitions noted in this section are not intended to be all-inclusive but are listed to give you an idea of concepts or practices we generally do not allow. Other prohibited practices are mentioned throughout this guide and you must review them all.

Our evaluation of marketing concepts and their compliance with applicable rules and regulations is subject to change at any time.

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### 3.a. Lead Generation

If you are considering prospecting for potential clients through the use of lists from any lead generation company, you must fully understand the practices that company used to create the list. Several lead generation companies have been found to use mailings that may be considered false and/or misleading. You must review the solicitation practices of any lead generation company you use to be sure you do not inadvertently violate Symetra policies or state laws.

If you attempt to cross-sell within your book of business, you must take care to maintain the confidentiality of customer information at all times. Certain information, including medical information, may only be used in connection with specific products and services such as underwriting a life insurance policy or processing a claim.

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### 3.b. Sales of Securities and Investment Advice

producers who are registered investment advisors, investment adviser representatives or broker/dealers who qualify for exclusion from the definition of investment advisor may consider providing investment advice subject to applicable securities rules.

producers who are registered with broker/dealers can sell registered insurance products such as variable life insurance policies, registered index-linked annuities (e.g. Trek), and variable annuity contracts.

You must be aware of and respect any “boundaries” of your position relative to selling insurance products and giving investment advice, including making a recommendation to hold, sell or surrender if you attempt to provide a comprehensive analysis of a consumer’s financial circumstances and objectives in the course of needs-based selling. See the “Replacement” section of this Guide for additional discussion on this topic.

You are responsible for being aware of, and abiding by, all the laws of the state(s) in which you conduct business—whether derived from insurance regulation, securities regulation, unfair trade practices statutes or other laws—including FINRA registration as applicable.

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### 3.c. Tax or Legal Advice

We recognize that the discussions you have with your clients frequently include information about the basic characteristics of insurance and annuities. However, there is considerable risk associated if you should exceed your area of expertise.

Symetra expects you to be aware of the basic tax aspects of the products you recommend and be prepared to answer the client's questions in that regard. For example, you should know that the death proceeds of a life insurance policy are generally federal income tax free and that the accumulated value of an annuity contract grows income tax-deferred.

You should make it clear to the client that you are providing such information about incidental tax matters only, and that you are not offering tax advice for their specific circumstances or providing legal advice unless you are qualified and authorized as a professional tax or legal advisor and you disclose that you are acting in that capacity, and not as an insurance producer.

You should avoid making any comments that could imply specific tax advice or the practice of law such as:

- “Based on your situation, you should fund a trust.”
- “These assets will be protected from lawsuits.”
- “These assets will be sheltered from Medicaid.”
- “You should have a living will.”

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### 3.d. Cross-Border Sales

For individual life and annuity products, a cross-border sale occurs any time an application is signed in a state other than the “Residence State” of the owner/applicant. “Residence State” is defined as the state where a proposed owner has a primary residence and receives mail on a regular basis. It does not include a vacation home or temporary arrangement such as a time-share or vacation rental. If the owner/applicant is a business entity, “Residence State” means the state in which the business entity has its principal place of business. For trusts, “Residence State” means the state where the trust is located or where the trustee has an office.

“Application State” is defined as the state where the proposed owner signs the application and where the contract/policy has been solicited and will be delivered.

The contract or policy must be delivered to the consumer at a valid address in the state where the sales process took place and where the application was signed. The producer must use sales illustrations and marketing materials approved for the state in which the sale took place. A producer also must not conduct any activity related to the sale of an unapproved product in the state of solicitation and delivery.

Symetra's current procedure is to issue contracts and policies based on the application state. If the proposed owner has no valid connection with the state of signing, you need to resolicit the sale in the state of residence. For purposes of solicitations performed electronically (including those by telephone), the producer is considered to be virtually present in the state where the client resides.

Even in states that allow cross-border sales, there should be a rational connection between the applicant/owner and the non-resident state in which the sale occurs (such as a place of employment, vacation home etc.). The applicant/owner should not be in the non-resident state at the time of application solely for the purpose of purchasing a product.

Licensing and appointment are very important in cross-border sales. You must be licensed and appointed in the state where:

- The solicitation takes place;
- The application is signed; and
- The policy or contract is delivered.

If the insured or annuitant is a resident of the following states, only policies or contracts solicited, applied for, and approved in the resident state may be issued:

- Arkansas
- Idaho
- Massachusetts
- Minnesota
- Mississippi
- New Mexico (annuities only)
- New York
- Oklahoma
- Oregon
- Utah

In all instances of a cross-border sale, you must complete and submit Symetra form LU-959, Confirmation of Additional Location Information, with the application.

For employee benefits products, please consult with your underwriter on how a cross-border sale may have impact.

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### 3.e. Non-U.S. Residence

Applications will not be accepted for, or policies/ contracts delivered to, persons who are not physically in the United States both at time of application and at policy/contract delivery. Review the notes or footnotes on our product applications regarding specific residency requirements.

Symetra may be unable to insure applicants who indicate a future intent to live outside the United States. Please note any such indications during your field underwriting or suitability review and consult Symetra Underwriting before submitting a case on any person who expects to eventually reside outside the United States.

For more complete information, please see the **Symetra Underwriting Requirements & Guidelines for the High-Net-Worth Foreign National Market**.

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### 3.f. Conflicts of Interest

You must act in the interests of the consumer, and not your own interests, at all times. To do this, you must be able to recognize and manage actual, apparent and potential conflicts of interest.

In some cases, conflicts of interest cannot be managed so they must be avoided altogether. This list gives you examples of conflicts that Symetra deems are too great to be managed, so they must be avoided. This list is not intended to be all-inclusive:

1. You may not be or become the owner of a policy or contract other than one insuring your own life, that of a close family member, or business associate with whom you have a demonstrable insurable interest.
2. You must not be or become the designated beneficiary of a policy or contract other than one purchased and/or owned by you or a close family member.
3. You must not be or become a collateral assignee of a policy or contract owned by anyone other than a close family member.
4. You must not be or become the trustee of a trust that owns a policy or contract other than one insuring you or a close family member.
5. You must not hold Power of Attorney over the property of a customer.
6. You may not be the premium payor on a policy for which you are the writing agent unless you are the owner of that policy.

Other conflict of interest issues can arise within the context of a producer-client relationship. The following are also prohibited by Symetra:

- Lending money to a customer; or
- Borrowing money from a customer; or
- Commingling your own funds with those of a customer; or
- Making any unauthorized transactions, including the submission of applications contrary to the wishes of the customer or paying premiums on a customer's behalf.

This guidance is not intended to reflect all examples of conflicts of interest that might arise in the course of your business. You must practice sound judgment and contact Symetra's Compliance Department to discuss any situation that you feel may present an actual, apparent or potential conflict of interest.

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### **3.g. Unsolicited Communications (phone, text, fax and email)**

Several state and federal laws, including the Telephone Consumer Protection Act and the CANSPAM Act, restrict solicitations using email, telephone, text message, or fax. FINRA rules also restrict telemarketing. Severe financial penalties have been imposed for violations of these laws and regulations. Symetra prohibits the use of any unsolicited communications except as permitted by state and federal regulations and laws.

All rules regarding these types of transactions, including disclosure and opt-out requirements, must be followed, and every advertisement or script you use must be submitted to Symetra for approval prior to use.

Generally, federal and state laws and regulations:

- Require that you check a variety of Do Not Call (DNC) lists and registries before placing phone calls to solicit a sale or even set up a later appointment to solicit a sale;
- Require that you maintain your own specific (DNC) roster listing any individual who has asked that you or your agency cease contact with them;
- Restrict your ability to use tools such as predictive dialers;
- Prohibit your use of technology that blocks numbers from being identified by caller ID programs;
- Limit or prohibit your use of unsolicited fax, email, or text messages for advertising or other marketing purposes; and
- Impose financial penalties for any violations.

Before you proceed in making any unsolicited communications to the public, be sure you are aware of the most recent state and federal regulations that may affect your communication.

Currently, you may not:

1. Call individuals listed on the National DNC Registry if they have not provided prior written permission.
2. Call before 8:00 a.m. or after 9:00 p.m. local time, in any case, without prior permission from the person being called.
3. Call individuals who ask not to be called, regardless of any existing relationship.
4. Call any person based on a "referral" without first checking the National DNC Registry.

The National DNC Registry may be accessed at [www.telemarketing.donotcall.gov](http://www.telemarketing.donotcall.gov). You are responsible for the cost, if any, to access information through the National DNC Registry.

In addition to the National DNC Registry, several states maintain their own separate do not call list(s). You must contact the states you do business in for guidance on how to access their specific list(s).

## Exemptions

The FCC rule exempts clients with an established business relationship or those who have written for information about products or given written permission. In addition, many states have rules regarding telephone solicitation.

Under the exemption you may:

1. Call individuals who are not registered, but only between the hours of 8 a.m. and 9 p.m. local time, based on the prospect's local time zone. You must identify yourself, your agency, and state that the purpose of the call is to discuss insurance and/or annuity products.
2. Call businesses (as opposed to individuals or residences).
3. Call clients with whom you have an "established business relationship" based on their purchase or a transaction within 18 months prior to the call (payment of premiums and receipt of annual statements constitute transactions).
4. Call consumers who have submitted inquiries or an application within the last three months.
5. Call individuals on the National DNC Registry, only if those individuals have provided you with prior written permission.

Just as unsolicited calls are regulated, unsolicited email is also regulated. Unsolicited email is regulated under the "CAN-SPAM" Act. According to the Federal Trade Commission website, there are seven key points for CAN-SPAM compliance, and you should be aware that individual states may have additional requirements:

1. **Don't use false or misleading header information.** Your "From," "To," "Reply-To," and routing information — including the originating domain name and email address — must be accurate and identify the person or business who initiated the message.
2. **Don't use deceptive subject lines.** The subject line must accurately reflect the content of the message.
3. **Identify the message as an ad.** You must disclose clearly and conspicuously that your message is an advertisement.
4. **Tell recipients where you're located.** Your message must include your valid physical postal address.
5. **Tell recipients how to opt out of receiving future email from you.** Your message must include a clear and conspicuous explanation of how the recipient can opt out of getting email from you in the future.
6. **Honor opt-out requests promptly.** Any opt-out mechanism you offer must be able to process opt-out requests for at least 30 days after you send your message. You must honor a recipient's opt-out request within 10 business days.
7. **Monitor what others are doing on your behalf.** The law makes clear that even if you hire another company to handle your email marketing, you can't contract away your legal responsibility to comply with the law.

You can read the FTC's full "CAN-SPAM Act: A Compliance Guide for Business" here:

[www.ftc.gov/tips-advice](http://www.ftc.gov/tips-advice)

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### 3.h. Solicitation Practices

When soliciting for the sale of a Symetra product, you may never:

1. Use the existence of a state guaranty association to sell life insurance or annuities;
2. Show to the public any materials labeled “For Internal Use Only,” “Agent or Producer Use Only,” “Registered Representative Use Only” or that contain any similar restriction;
3. Exaggerate or make any unsubstantiated claim about Symetra, Symetra’s products or your services;
4. Refer to a life insurance policy as an “investment,” “savings program” or any similar misleading phrase;
5. Use proceeds from home equity, reverse mortgages or mortgage refinancing as a source of funds to pay premiums for life insurance or annuities; or
6. Sell life insurance or annuities in conjunction with a stranger-owned or stranger-originated arrangement where no demonstrable insurable interest exists and in which a party unrelated to the proposed insured attempts to profit through the death of the insured.

Various states have enacted legislation which makes it illegal to accept insurance business from an unlicensed person or unlicensed review website. You must review the requirements of the states you do business in to ensure you comply with related laws.

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### 3.i. Fair Competition and Sales Tactics

Symetra is committed to fair and respectful competition. To ensure fair competition, you must accurately and fully disclose all information when discussing and comparing products.

In compliance with applicable NAIC regulations, Symetra prohibits any sales contests that are based on the sales of specific Symetra products within a limited period of time.

You may not slander any competitor, insurer or its products, or other producers or purposely make false or misleading statements to any person in order to sell a Symetra product.

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#### 3.i.i. Abuse and Coercion

Verbal or other comments as well as statistical data, financial assumptions and quotes from any sources should be accurate and must be conveyed to consumers in an appropriate context. Information may not be used out of context to unduly alarm a consumer or client. Symetra will not tolerate coercive sales practices or abuse of any person related to your solicitation of our products.

For example, you may never:

- Suggest that a prospective customer “would be foolish” not to purchase a particular product;
- Create a false sense of urgency by telling a consumer that a Symetra product is a “limited offer” or “you must act now” or by making any similar statement;
- Make any statement to the effect that a prospective customer’s family will be “disappointed with them” or that declining to purchase a product may result in “financial disaster”; or
- Threaten or disparage a Symetra employee in any way.



Symetra also prohibits the use of scare tactics in the sales process. Statements that have been viewed by regulators to be scare tactics include but are not limited to:

- “You know you’ll never see a dime of Social Security – it’s going bankrupt.”
- “FDIC is underfunded – your CDs are not safe.”
- “It’s not a matter of if you will run out of money; it’s just a question of when it will happen.”
- “Just look at the pension funds that have gone bankrupt. Your pension is probably worthless.”
- “Your assets will be seized when you go into a nursing home.”
- “Probate is devastating. You must avoid it at all costs.”

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### 3.i.ii. Misrepresentation and Fraud

Fraud is any deception or misrepresentation knowingly and intentionally practiced in order to achieve unfair or improper gain or access, including any attempt to present false or inaccurate information to deceive or mislead another party. Any attempt by you, your staff or any party acting on your behalf to present such false or misleading information to deceive Symetra for any purpose may lead to further action, including but not limited to the termination of the selling agreement and for-cause termination of producer appointments. A common complaint is to allege that one or more provisions of a life insurance policy or annuity contract were misrepresented during the sales process.

Common areas of alleged misrepresentation occur both during and after the sale and include misrepresentation of one or more provisions of a policy or contract such as:

- Interest rates
- Illustrations
- Contract length
- Surrender charge schedules
- Death benefits
- Accumulation
- Rebates
- Mishandling of premium

You must provide consumers with a comprehensive description of the product and all of its features and fees during the sales process, and you must handle premiums, contract updates and claims with the utmost care.

When discussing a Symetra product with a consumer, you should use only Symetra-approved sales materials and disclosure documents and provide a complete and accurate explanation of the product.

Best practices include confirming frequently during discussions with the consumer that they clearly:

- Understand the information you are presenting;
- Understand a product’s terms and conditions; and
- Understand how the product is intended to help meet their stated goal or need.

Before you finalize any sale, you should revisit the consumer’s reason(s) for the purchase and reconfirm that their insurance needs or financial objectives have been addressed, that they thoroughly understand and have answered all questions on the application and other documents. A best practice is also to read each question to the consumer out loud and discuss each answer.

Upon delivery of the policy or contract, you should again review the terms and provisions of the policy or contract and specifically discuss the “free look” opportunity, if applicable.

Symetra will monitor all aspects of a case to detect:

- Replacement activity.
- Theft of premium or annuity payments.
- Twisting (inducing or attempt to induce a policy owner to drop an existing policy and to take another policy that is substantially the same kind by using misrepresentations or incomplete comparisons of the advantages and disadvantages of the two policies).
- Churning (encouraging excessive transactions largely to create commissions).
- Submission of unauthorized policies.
- Forged signatures on any document.
- Misrepresentation of where the policy was signed.
- Excess Lapse Activity.

### **Application and claim fraud indicators**

As a general matter, if you suspect criminal activity is occurring, you should report it to Symetra’s Compliance Department. To protect yourself you should be alert to indicators that could provide circumstantial evidence that criminal activity such as insurance fraud is occurring.

Application fraud indicators can include:

- Unsolicited, new walk-in business not referred by an existing client.
- Walk-ins who arrive at noon or the end of the day when you may be rushed.
- Walk-ins who neither work nor reside near the agency.
- Consumer’s given address is not consistent with their stated income or employment.
- Consumer has lived at current address less than six months.
- Consumer wants a “rush” or refuses to give any required information.
- Consumer tries to pay premium in cash.
- Consumer suggests cost is no object during application process.
- Consumer asks in-depth questions regarding claims process at time of application.
- Consumer won’t meet in person and supplies all information via phone.
- Consumer seems unusually familiar with insurance terms or procedures.
- Questionable beneficiary relationships (niece, nephew, cousin, fiancé, friend, etc.)
- Third-party attempts to conduct transactions on behalf of consumer for no apparent reason.

Claims fraud indicators include but are not limited to:

- The policy’s effective date is close to the date of death.
- The deceased is not well-known by relatives and lived alone.
- Physical examinations were avoided.
- Numerous life insurance policies were purchased for the deceased.
- Different carriers were used in securing coverage.
- Coverage amount is not commensurate with the stated employment or income of the deceased.

If you detect any of the “red flags” of consumer fraud described above, you must report the activity to Symetra at [rpteth@symetra.com](mailto:rpteth@symetra.com).

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### 3.i.iii. Inducements, Rebates, Gifts and Loans

An illegal inducement is defined as the giving of something of value that is conditioned upon the purchase or renewal of insurance or the filling out of an application. Illegal rebating is defined as giving a consumer anything of value in exchange for making a purchase. In addition to cash discounts, this can include gifts, free trips, event tickets, prizes or anything else of value.

There are applicable state prohibitions and limitations on the use and permissible value of gifts, and most states prohibit inducements and rebates if the inducement or rebate is directly or indirectly tied to the purchase of insurance.

A gift to a prospective client may be construed as an inducement under the NAIC's Unfair Trade Practices Act. Whether a gift will be considered an inducement depends on how and to whom it is distributed. As a Producer you are subject to the provisions of the Act. Symetra prohibits illegal inducements in all states.

Generally, when a gift or promotional item is given, it must be of nominal value, made available to all consumers, and must not be contingent upon the purchase or renewal of insurance and/or completing an application. Some states prohibit the practice of providing any consideration to consumers in connection with the purchase of insurance.

Nothing outside the contract may be introduced into the application process as an inducement to purchase a life insurance policy or annuity contract. You are responsible for complying with statutes and regulations of the states in which you conduct business.

Transactions that may be considered inducements or rebates include, but are not limited to:

- Any gift designed to induce a purchase.
- Sharing commissions with the consumer.
- "Free insurance" (e.g., "buy this policy and the first 30 days are free").
- Payment by a producer or agency of any premium.
- Refund of premium due to persistency of the policy.

You must take care not to give, directly or indirectly, to a client or any other person or firm anything of value outside of what is provided for in the contract that could be considered an unlawful inducement to purchase or renew a product. This can include:

- Facilitating any discount, reduction, credit, or paying any portion of any premium, fee, cost of underwriting, premium financing, or claim cost;
- Facilitating any discount, reduction, credit, or paying any portion of a client's product or insurance administration fees;
- Making possible any lowered, credited, or discounted commission unless specifically allowed by the product;
- Providing a discounted or free membership in any organization, society, association, guild, union, alliance, club or similar institution;
- Making or offering to make a charitable or other tax-deductible contribution on behalf of the client;
- Providing or offering employment in exchange for the purchase of a Symetra product; or
- Providing, or offering to provide, any other payment, award, special favor, advantage, or incentive, tangible or intangible, direct or indirect, that encourages or is reasonably viewed to encourage a client to enter into a contract for any Symetra product.

In addition, you may never lend money to a client or borrow money from any client, including clients who may also be "personal friends", Symetra vendors or third party administrators.

## **Additional Guidance on Gifts**

Symetra recognizes that gifts are a normal part of many business relationships. However, the exchange of gifts and entertainment in connection with a business transaction should never imply an intention to seek or receive favorable treatment. Even if there is no deliberate intention to influence the outcome, the perception of a conflict of interest could be damaging to a producer.

Generally, you may not give to or receive from clients cash or any gift that is more than nominal. This can include merchandise, gifts and prizes, travel expenses, vacations, meals and/or lodging.

Personal gifts for occasions such as birthdays, weddings, birth of a child, or the holidays, which are usual and customary for the event, are generally permissible (subject to state limitations) so long as they are not lavish and could not be viewed to be an inducement to purchase or renew a product.

Gifts to clients of promotional items with the Symetra logo or name that are nominal in value are generally acceptable but it is a best practice to limit such gifts to the lesser of \$50, or the applicable state's limitation value, to any individual to avoid an appearance of impropriety.

You should never give clients cash or cash equivalents, including gift cards, regardless of the occasion.

## **Special rules for public entities**

Many states and localities have adopted requirements that prohibit any individual or entity that is conducting business with, or proposing to conduct business with, any state or local government, or any other public entity or agency or instrumentality thereof (Public Entities), from giving or offering to give any benefit, payment, compensation, gift, loan, gratuity, special discount, trip, favor or service to any elected or appointed officer or official, director or employee of a Public Entity, or any producer or other consultant thereof, in connection with the awarding of any contract or modification or renewal thereof.

For this reason, you may not provide a gift to any elected or appointed officer or official, director or employee of a Public Entity, or any producer or consultant thereof, where the Public Entity is an existing or prospective client. This prohibition may extend to political contributions, depending on the jurisdiction.

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## **3.i.iv. Sales to Seniors and Vulnerable Adults**

Selling life insurance and annuities to senior citizens requires special care and diligence.

There are numerous state regulations and industry model rules relating to senior protection. Examples include the NAIC's Model Regulation on the Use of Senior-Specific Certifications and Professional Designations in the State of Life Insurance and Annuities, and the North American Securities Administrators Association (NASAA) Model Rule on the use of Senior-Specific Certifications and Professional Designations.

It is your responsibility to be familiar with and comply with the applicable laws and regulations of the states in which you do business.

Unless a state has otherwise defined the age of a "senior," a best practice is to include any person aged 60 or older in this category. But regardless of age, you should use good judgment to ensure consumers of all ages clearly understand all aspects of the Symetra product you offer.

When meeting with seniors, common best practices include:

- Explain that you are an insurance producer and that you are soliciting an annuity or life insurance policy.
- Never use confusing or misleading terms or industry "jargon."
- Determine the senior's financial situation, needs, objectives and risk tolerance.
- Never use methods that could be considered high pressure or that could cause alarm or fright.
- Consider the appropriateness of any product given their circumstances.
- Repeat key information and calculations.
- Read application questions out loud.

- Stop the conversation if the senior appears confused or unable to understand any part of your presentation and include their family members or a legal representative of the senior in your discussion if you feel the senior has a compelling need for a product.
- Document your discussion and all materials used as well as any comparisons you made, including why the final product was selected over others. Also document all information you obtained in order to determine the sale was suitable.

You should never move forward with a sale to any person who does not appear to have the mental capacity to understand or manage their financial affairs.

Various states have also enacted legislation defining vulnerable adults, of all ages, and outlining your obligation to watch for red flags that identify such persons and their potential abuse. Most states also require that you promptly report indications of abuse. You should review the requirements of the states you do business in to ensure you comply with related laws.

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### 3.i.v. Sales to Military Personnel and Veterans

Federal laws protect military personnel and veterans from inappropriate sales of insurance or financial or investment products and also restrict activities on a military installation.

Additionally, most states have adopted the NAIC's Military Sales Practices Model Regulation, which requires certain disclosures be made at the time of sale or offer, regardless of the location of the sale.

Some states also have express prohibitions or limits on gifts related specifically to military sales or regulate net-worth-eligibility requirements.

Other requirements for marketing to active military personnel:

- When offering a Symetra product to someone in active military service, you must provide them with disclosure form LU-894, Disclosures Required for Sale of Insurance Products to Military Personnel.
- For individually sold life insurance, you must also provide the consumer with an explanation of the free-look period and instructions on how to use it and either a copy of the application or a written disclosure concisely stating the type of insurance, the death benefit and the expected first-year cost.
- Federal laws require insurers to report any disciplinary action involving sales or solicitations of life insurance products on a military installation.
- Additional protections may apply to sales to veterans.
- You are required to know and understand all state and federal laws that govern your insurance activities in this area, as applicable. If you have questions about the Symetra disclosure form, please contact the **Life or Retirement Sales Desk** for guidance.

A number of regulatory developments regarding producer standards of care may require your attention and action. We encourage you to actively monitor regulatory developments in all areas, including best interest standards, life insurance suitability and other standards of care, to ensure that you adhere to all applicable requirements.

The needs and objectives of consumers vary widely and no single insurance product is right for everyone. Consumers rely on you to provide sufficient information with which they can make a good decision.

It's up to you to verify the suitability of any recommendation you make for the purchase or exchange of a Symetra product. You must obtain a full and accurate picture of a consumer's insurance needs and financial objectives.

Your recommendation must be based on reasonable grounds that the recommendation is suitable for the consumer and in the consumer's best interest at the time of the sale. To do this, you must fully evaluate the consumer's financial goals and discuss all aspects, including both the advantages and disadvantages, of the product with the consumer.

## SECTION 4

# Making the Sale

### 4.a. Basic Suitability

Suitability is the art of determining the needs and goals of the consumer and finding a product or products that will meet them. Suitability is part of fostering a long-term client relationship. It's about being a professional and doing the right thing. Suitability is also a frequent topic of discussion and examination among regulators.

Several criteria are used to determine whether a specific product is suitable for and in the best interest of a particular consumer, but basic suitability starts with the following truths:

- The product must meet that consumer's stated needs.
- The product must offer substantial benefits over its duration.
- When recommending the replacement of an existing product the new product, must be in the consumer's best interest and provide an immediate financial benefit that is not otherwise available with the existing product, and the consumer must not incur significant penalties from the transaction.
- The consumer must be in a financial position to allow the recommended product to function as designed and to allow the consumer full access to the benefits of the product.

A suitable sale is not defined by a single data point or even a series of equally weighted data points. You must conduct a suitability/best interest assessment by weighing the importance of various data points including but not limited to those on the following list, along with lifestyle, family requirements, longevity and health predictions, and then disclose the benefits and limits of any product you propose so the client can make an informed decision.

Data points include, but are not limited to:

- Age
- Occupation
- Dependents
- Marital status
- Annual income
- Financial situation and needs, including debts and other obligations
- Insurance needs
- Risk tolerance, including but not limited to, willingness to accept non-guaranteed elements in the policy or contract
- Future earnings expectations
- Retirement savings
- Financial time horizon
- Income and tax status
- Liquidity needs and liquid net worth
- Emergency reserves
- Intended use of the product
- Financial experience and objectives

- Financial resources used for the funding of the purchase
- Existing assets, including investment, annuity and life insurance holdings
- Financial desires such as making a down payment on a home or paying college tuition

States may have their own specific suitability requirements, and Symetra forms are designed to comply with these state requirements. It is therefore important that you use the most current suitability or consumer profile form when writing business.

To determine suitability/best interest, you must have a clear understanding of the product you are recommending, including all of its features and fees as well as its comparable alternatives.

When you have fully discussed the consumer's circumstances, you can then compare and "rule out" certain other products that may be inappropriate. You should keep records of the products you compare and rule out, along with your reasons for deeming them inappropriate.

Best practices during the suitability/best interest determination process include:

- Carefully discussing all pros and cons of maintaining the contract to maturity/death.
- Making sure the consumer understands the recommended product and all downsides to the transaction.
- Determining whether access to funds is a key objective (or not).
- Evaluating the consumer's current financial situation but also asking how it might change in the future.
- Including the consumer's other advisors and/or family members, especially on larger cases or when selling to seniors.
- Even though cases may appear to be similar, avoiding "one size fits all" recommendations.
- Sometimes, just walking away from the situation.

You may never ignore or avoid discussing any aspects of a product or the consumer's situation because they are complicated or potentially unfavorable. You must comply with all state and federal suitability/best interest requirements for the states where you recommend Symetra products or services.

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## 4.b. Annuity Suitability

The NAIC's Suitability in Annuity Transactions Model Regulation ("Model") is the basis for much of Symetra's suitability/best interest review and product-specific suitability training. In February 2020, the NAIC updated the Model to require an insurance producer to act in the best interest of the consumer when making recommendations regarding annuity products. Producers must also fulfill care, disclosure, conflict of interest, documentation and producer training obligations. These obligations include, but are not limited to:

- Understanding the consumer's financial situation, insurance needs and financial objectives.
- Documenting and communicating the basis of the recommendation to the consumer and delivering that narrative, along with other suitability-related information to Symetra when required.
- Identifying, avoiding and disclosing material conflicts of interest.
- Creating written records for all recommendations.

In addition, any sales contests, sales quotas, bonuses, and non-cash compensation that are based on the sales of specific annuities within a limited period of time are prohibited.

Annuities are generally long-term investments and may not be appropriate for someone who doesn't plan to hold onto the product for their long-term needs. Many deferred annuity products contain substantial surrender or withdrawal charges for several years.

Consumers considering annuities must have sufficient income, assets and financial resources to cover current expenses and foreseeable short and intermediate-term needs.

The consumer's participation in a qualified retirement plan may affect his or her need for a non-qualified deferred annuity. Consumers should discuss your recommendation with their tax professional.

It is your obligation to be well acquainted with the Symetra products you offer and with the consumer's financial and insurable needs.

You must have a clear understanding of the different types of annuities available from Symetra, and you must be able to determine which is appropriate for consumers of various ages who are seeking, for example, tax-deferred asset accumulation for retirement or, enhanced death benefits or, nursing home waivers or, who need an immediate stream of income lasting for their lifetime.

In addition to Symetra's product-specific training, many of the states that adopted the NAIC's Suitability in Annuity Transactions Model Regulation also require a training or education course specific to annuities. See the **Training section of this Guide** for more information on Symetra's training expectations.

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### 4.c. Life Insurance Suitability

Certain states have issued regulations requiring insurance Producers to act in the best interest of consumers when offering life insurance products. We encourage you to actively monitor regulatory developments in all areas, including best interest standards, life insurance suitability and other standards of care to ensure you adhere to all applicable requirements.

The need for death benefit protection is always primary to the sale of life insurance.

It is important that you have a reasonable basis for your recommendation of life insurance, including but not limited to the death benefit amount. You must document your basis and communicate it to your client, and to Symetra when required.

Determining the right amount of death benefit requires careful consideration. To calculate an appropriate face amount, you and the consumer should discuss at least the following items to help identify their death benefit needs:

- Burial expenses
- Income continuation for family members
- College funds for children
- Retirement income for spouse
- Asset protection
- Amount of other insurance in force with Symetra and other companies
- Health status
- Debt coverage
- Accelerated death benefits in the event of a chronic or terminal illness
- Business, education or retirement planning
- Estate taxes and estate planning

If you illustrate cash value, policy loans or partial withdrawals you must make sure the consumer understands all of the associated limitations, costs and policy charges, along with the effect on the net death benefit and cash values if premium payments are not made as illustrated.

Unlike the NAIC's Suitability in Annuity Transactions Model Regulation, there is no comparable suitability regulation for life insurance sales outside of New York, which promulgated a best interest standard for life and annuity products. You should however be familiar with NAIC's Life Insurance Disclosure Model Regulation ("Buyers Guide") and Universal Life Insurance Model Regulation as well as related NAIC and state-specific regulations that set forth suitability standards for life insurance sales.

Life insurance suitability considerations generally include:



- Age
- Annual income
- Financial needs and objectives
- Intended use of the policy, including any riders
- Financial time horizon, including the duration of existing liabilities and obligations
- Source of funds
- Amount of coverage
- Consumer's ongoing ability to continue to pay the illustrated premiums
- Existing assets, including investments and other life insurance
- Surrender charges and surrender charge period
- Distinction of guaranteed vs. non-guaranteed values and willingness to accept non-guaranteed elements in the policy
- Owner, beneficiary, insurable interest, STOLI
- Net worth, income, liquidity needs, source of funds
- Replacement situations: adequate comparison of existing and proposed products

Even where not covered by a specific statute or regulation on suitability, Symetra expects that all of the recommendations you make to consumers in the course of selling our life insurance products be reasonable and based on an accurate assessment of the applicant's insurance needs and overall financial objective.

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#### 4.d. Replacements

Replacing an existing life insurance policy or annuity contract with a new product is a decision that an owner should make only after careful consideration of several factors.

Symetra does not condone the systematic replacement of life insurance policies or annuity contracts. We monitor the replacement activity of our producers and distribution partners to ensure the sale of our products is appropriate for our mutual customers.

Under no circumstances should you deliberately attempt to disguise a replacement or in any way circumvent Symetra replacement forms or other requirements or the applicable laws of any state.

Consumers rely on you to provide sufficient information with which they can make a good decision. You should make a replacement recommendation only where it is in the consumer's best interest. Your role in helping the consumer determine if replacement is suitable includes steps such as:

- Fully evaluating their financial goals;
- Informing them of both the advantages and disadvantages of the process;
- Visually comparing and discussing all differences between the products, including features they may stand to gain or give up through the process;
- Allowing your consumer the time to reasonably and carefully review all sales materials, forms and other information related to the replacement; and
- Discussing and documenting exactly how the recommended replacement will assist the consumer in meeting his or her stated needs and financial objectives.

#### Replacements of Variable or Securities Products

Several states have issued bulletins reminding persons licensed/registered to sell insurance and/or securities of where those states draw the line between providing insurance advice and investment/securities advice. Those bulletins have also reminded such persons that variable products are securities under federal law.

You must be aware of the permissible and prohibited activities that apply to you if you are “insurance-only” licensed (defined for this section of the Guide as an individual who holds an insurance producer license that authorizes the sale of annuities or life insurance products and who is not registered as an investment adviser or broker-dealer or investment adviser representative).

If you are “insurance-only” licensed, you are prohibited from, among other acts:

- Discussing risks specific to a consumer’s individual securities portfolio.
- Providing advice regarding a consumer’s specific securities or securities performance.
- Recommending the liquidation of specific securities, or identifying specific securities that could be used to fund annuity or life insurance policies.
- Recommending specific allocations, in dollars or percentages, between insurance products and securities.
- Offering research, analysis or recommendations to a consumer regarding specific securities.

### **Replacement Forms**

Symetra makes state-specific replacement forms available whenever possible. You must complete and submit all required replacement forms with any new business to ensure compliance with applicable state and federal laws, including specific disclosure and documentation requirements.

In order to complete replacement forms accurately, it is critical that you understand the broad definition of replacement under the NAIC’s Life Insurance and Annuities Replacement Model Regulation.

The act of replacement applies not only to full surrenders of life insurance policies or annuity contracts, but also extends to new policies or contracts purchased with funds from existing policies or contracts (e.g., withdrawals or partial surrenders).

If replacement of life insurance policy or annuity contract that was sold or delivered in New York is likely to occur, you must adhere with New York’s Regulation 60 guidelines. Please see [New York Regulation 60](#) [Producer Training](#) for details.

### **Financed Purchases**

The NAIC’s Life Insurance and Annuities Replacement Model Regulation makes it clear that the definition of replacement extends to transactions in which the purchase of the new policy or contract is funded partially or fully from the values of an existing policy or contract, also called a “financed purchase.”

Any transaction in which monies are used from an existing policy within 4 months prior to or 13 months after the effective date of a new policy with the same insurer is presumptively treated as a financed purchase.

### **Submitting Replacement Applications**

As with any new business, if any part of the application or any required disclosures, forms or signatures is missing, the business will be considered “not in good order” (NIGO) and may be rejected by Symetra.

In order to respond to questions that may arise during our review of such cases, you should maintain a client file containing copies of any advertising materials used and sufficient information to demonstrate that you:

- Conducted a thorough review of the clients’ long and short-term financial goals;
- Did a thorough review of their existing policy/contract;
- Walked the client through a fair and balanced comparison of their existing policy/contract and the proposed policy/contract, including applicable disclosures;
- Discussed any surrender charges the client may incur and whether they’ll be subject to a new surrender charge period, lose existing benefits, or be subject to increased fees for riders or similar product enhancements;
- Discussed how the client would benefit from product enhancements and improvements or loss of features;
- Explored whether the client has had another annuity exchange or replacement and that replacement

occurred within a prior period of up to 60 months, as required by state-specific regulation; and

- Discussed the client’s source of funds if any additional funds are needed to make or maintain the replacement (note prohibitions against using funds from a reverse mortgage to fund the purchase of the annuity).

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#### 4.e. Partial Surrenders

It’s important that you understand that the broad definition of replacements under the NAIC’s Life Insurance and Annuities Replacement Model Regulation applies not only to full surrenders but also extends to new policies or contracts purchased with funds (e.g., withdrawals or partial surrenders) from existing policies or contracts.

You should ask potential buyers whether or not they are considering using funds from an existing policy or contract to pay premiums due on the new policy or contract. If their answer is yes, you should treat the transaction as a replacement.

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#### 4.f. Adequate Time to Review

You may not prevent or discourage any potential buyer from taking a reasonable amount of time to review any document before you ask them to sign it.

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#### 4.g. USA Patriot Act and Anti-Money Laundering

Federal regulations require that Symetra and other insurance companies have an Anti-Money Laundering (AML) program in place designed to prevent and detect money laundering. No matter what lines of business you work with, you are part of Symetra’s AML program and you must remain alert to the red flags we discuss in this section that indicate possible money laundering. You must bring red flag activity or any other unusual activities to Symetra’s attention.

In addition, if you offer any Symetra products other than group benefits or term life insurance, you must also complete AML training.

See the Training section of this Guide for information on required AML training and see [Symetra Contact Information](#) section of this guide to report any unusual activity.

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#### 4.g.i. Red Flags

- Unusual concern for secrecy.
- Reluctance or refusal to provide basic identifying information.
- Reluctance or refusal to provide information about beneficial ownership.
- Providing documents that appear falsified or altered.
- Trying to open an account in the name of someone else.
- Trying to establish multiple accounts.
- An unclear source of funds.
- Purchasing an insurance product that is inconsistent with their needs.
- Unusual interest in the “free look” or “right to return contract” provision.
- Unusual interest in reporting requirements.
- Early termination of a product, especially at a cost to the consumer.
- Borrowing the maximum amount available soon after purchasing the product.

- Purchases or transactions that don't seem to make economic sense for the consumer.

Applications and payment will not be accepted from individuals who are non-residents in the United States or those who do not have a valid Social Security number or other U.S. tax identification number and appropriate residency authorization.

An exception may be granted for those purchasing individual life insurance products through the foreign national program.

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#### 4.g.ii. Unusual Activity

The USA PATRIOT Act (the "Act") requires financial institutions to establish an anti-money laundering program in order to guard against the use of the institution for money laundering and terrorist financing activity. Money laundering is engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the unlawful proceeds appear to have been derived from legitimate origins or constitute legitimate assets. Information on the producer's obligations as they relate to AML is located in the sales agreement.

Under Symetra's AML policy, all producers have a fundamental obligation to do the following:

- Protect the company and customers against financial crime.
- Stay informed at all times by fulfilling the requirements of anti-money laundering/financial crime training.
- Be diligent in observing customer interaction for unusual activity that may be related to money laundering or any other financial crime. Unusual activity must be reported.
- Validate the identity of each applicant by collecting and retaining valid U.S. government-issued identification as well as sufficient personal information to help identify the applicant. Basic financial information and the primary reason for purchasing the product must also be collected and retained, when not prohibited by law.
- Obtain and retain enough information to identify the beneficial owners of the proposed contract to ensure that the business is not being conducted with specially designated nationals, particularly with non-natural owners and provide that information upon request.

#### Reporting Unusual Activity

As a producer you have an obligation to report unusual activity to Symetra—especially activity which indicates the possibility of money laundering or other illegal activity.

If you detect any of the "red flags" described above, you must report the activity to Symetra at [rpteth@symetra.com](mailto:rpteth@symetra.com).

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#### 4.g.iii. Business Through the Mail

At times, it may be necessary to conduct business through the mail, over the phone, or in a non-face-to-face manner. In these situations, you should:

- Ensure that the client is an existing client and that you previously verified their identity, as per the Customer Identification Program provisions of the USA Patriot Act, by reviewing their unexpired, government-issued identification.
- Determine that you are licensed in their state of residence and in the states in which all parts of the transaction take place.
- Adhere to all applicable states' requirements.
- Never transmit personal client data in an unsecured manner.
- Never disclose personal client data to any unauthorized party.

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## 4.h. Taking Applications

When taking applications you may never:

- Ask a client to sign an incomplete or incorrect application, replacement form or disclosure document.
- Suggest or imply that a client overlook or avoid responding to some or all of the questions.
- Complete a sale to an applicant who does not appear to have the mental capacity to understand or manage their financial affairs.

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### 4.h.i. Best Practices at the Point of Sale

Best practices at the point-of-sale include steps to ensure the client fully understand the product they are purchasing and the forms and questions involved in the application process, as well as any next steps their purchase may include such as contract delivery and the free look.

You should:

- Discuss the product features, including benefits and limitations, by using the product brochure and, if applicable, prospectus.
- Explain information contained in all forms.
- Ask the client to read the forms carefully, and give them reasonable time to do so.
- Take time to discuss information as the insured/owner completes all sections of the application and any applicable disclosure forms to ensure information is complete and accurate.
- Give the client time to verify or gather any information that isn't readily at hand.
- Verify that all sections of the application and any applicable disclosure forms are completed and that the information is correct and matches both your and your client's understanding of the situation (i.e., Has the client given you information on any form that does not match information you previously gathered from them? If so, you'll need to discuss that difference and re-confirm that the product is still suitable for their situation.)
- Review Symetra's disclosure requirements for the product to determine that any required disclosure forms are also completed and signed. Examples of disclosure forms include replacement forms, annuity suitability forms, certificates of disclosure, product illustrations, HIV consent forms, buyer's guides, contract summaries and various other point-of-sale and delivery disclosure forms.
- Review forms to ensure that the insured/owner signed or initialed, as applicable, all required sections of each form or disclosure.
- Review forms to ensure that all insured/owners included the correct date with the signature(s). In situations where the owner and insured are two different parties, you must take care to determine whose signature is required on which form.
- If the purchase is for a trust or other non-natural entity, you should review the documents to ensure any additional required forms, such as the trust certification form or corporate resolution form, have been gathered from the customer. The beneficial ownership information obtained must be sufficient to ensure that business is not being conducted with a specially designated nation or entity.
- Make copies of the application, illustration, sales materials, signed point of sale disclosures, replacement form, check and policy delivery receipt for your client and for your records.
- And, before you finalize any sale, you should revisit the client's reason(s) for the purchase and reconfirm that their insurance needs or financial objectives have been addressed and that they thoroughly understand and have answered all questions on the application and other documents. A best practice is to read each question to the client out loud and discuss each answer.

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## 4.h.ii. Client Signatures

The clear acknowledgment that your client understands certain information or undertakes certain obligations when purchasing a Symetra product is a necessary part of doing business. To gain that acknowledgment, you must gather their signature(s) and sometimes their initials where noted on all required documents.

You are never permitted, under any circumstances, to sign or falsify in any way a client's name or initials on any document.

Forgery is a criminal offense and carries severe consequences from both Symetra and applicable regulators.

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## 4.h.iii. Binding Coverage

You must familiarize yourself with the conditions and limitations contained in the Temporary Insurance Agreement section of the product application and make sure that your client understands those conditions and limitations too.

You are authorized to complete and deliver the Temporary Insurance Agreement only when the applicant qualifies and has paid the initial premium in full at the time the application is completed. A copy of the completed, signed application will serve as receipt for the first premium and provide the Temporary Insurance Agreement.

You should never represent that coverage under the Temporary Insurance Agreement is absolute or unconditional. Always explain the limits and conditions when you give a client the Temporary Insurance Agreement. The client must receive some proof that their premium payment was received and proof that temporary insurance exists.

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## 4.h.iv. Handling Client's Funds

When handling client's funds related to the sale of a Symetra product you may never:

- Accept premium checks payable to yourself. All checks must be payable to Symetra;
- Advance or pay premiums for a client;
- Comingle client funds into your account or any account over which you have any control; or
- Charge the client any additional fees on top of the regular policy premium.

Funds collected on behalf of Symetra are received in trust and must be submitted to Symetra immediately.

All premiums, after the initial premium, should be submitted directly to Symetra by the client.

No funds, other than the initial premium, should be collected prior to delivery of the contract to the client.

Except in the case of temporary insurance, if you submit premium prior to the completion of the underwriting process, Symetra may return the premium.

You must maintain adequate records of any monies received from clients and clear procedures to assure proper and prompt handling of those funds.

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## 4.h.v. Submitting Applications

Following your meeting with the client, you should promptly submit the application and premium (as applicable) to Symetra.

If you have a case that you anticipate may trigger some additional questions during our reviews due to its size, underwriting issues, suitability aspects or ownership or beneficiary arrangements, it's always a best practice to provide Symetra with as much additional information as possible in a cover letter submitted with the application. Keep in mind that the application becomes part of the policy/contract.

In all cases:

- Make every effort to ensure the information provided by the applicant is complete and correctly recorded.
- Include full and complete beneficiary information: name, address, telephone, date of birth and Social Security number.
- Explain what constitutes a replacement before asking the client if a replacement is involved. If a replacement is involved, refer to the Replacement section of this Guide before proceeding with the application.
- Ask the client to carefully review the application and ask any questions before it is signed.
- Never alter or amend any documents without the client's explicit consent as indicated by their initials on the document. Use of correction fluid/tape is not acceptable.
- Have the client initial any changes you've agreed to make to information already written on the application. Never use correction fluid/tape to cover any previously recorded information.
- Never allow a client to sign a blank or incomplete application or other form.
- Make sure the client accurately writes in the date and location where the application is signed.
- Properly complete the cover sheet and remarks section of individual life insurance applications, noting any information that would affect the insurability of a client.
- Complete the appropriate annuity suitability profile form, if applicable.
- Complete any additional state-specific point-of-sale forms that may be required.
- Any checks received should be in Symetra's name.

You can find forms lists and additional guidance on the Financial Professional tab of the Symetra website under "forms." Review your application package against the appropriate forms list, then submit all applicable documents to Symetra as directed on the application.

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#### **4.i. Policy Delivery and Free Look**

Delivery is defined as the transfer of the policy or contract from the insurer or the producer to the owner.

There are varying rules among states on delivery timelines for life insurance and annuities. Because the client's free-look period begins with delivery, it is your responsibility to ensure compliance with state and company requirements for delivery, including requirements for delivery receipts.

At policy delivery, you should review the main features and terms of the policy with the owner and record the date of delivery. If you receive a cancellation request from the owner at or shortly after delivery, or anytime during the stated free-look period, you must communicate that request to Symetra immediately.

Any request for surrender after the free-look period must be in writing and mailed directly to Symetra.

## SECTION 5

# Maintaining your Clients' Purchases

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### 5.a. Recordkeeping

You are required to know and comply with all applicable state requirements concerning record keeping for the states you do business in.

Even if a state does not have specific requirements, best practices indicate that you should maintain organized, easily retrieved customer files containing at least the following information and documents, as applicable:

- All suitability information provided by the customer.
- Sufficient information to indicate the basis for your recommendation.
- A copy of the application, illustration, sales materials, signed point-of-sale disclosures, replacement form, check, and policy delivery receipt.
- All written correspondence, including emails, to or from the customer.
- Notes on all phone calls to or from the client, and meetings with the client, including the date of delivery.
- A record or copy of any complaint.
- A record of all advertising or sales materials given to a client.
- Sufficient information to support your review of their unexpired government-issued identification.

You should also make an effort to periodically review and update the information in your files, especially client and beneficiary contact information.

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### 5.b. Privacy and Data Security

There are a growing number of laws and regulations concerning how client nonpublic information is gathered, used, shared, accessed, transmitted, and stored, and the safeguards, including cybersecurity safeguards, that must be in place to secure nonpublic information. Nonpublic information may include:

1. Business-related information the tampering with which, or unauthorized disclosure, access or use of which, may cause a material adverse impact to the business, operations or security of the entity;
2. Any combination of information (commonly referred to as Personally Identifiable Information or PII) that can be used to identify an individual, including but not limited to an individual's first and last name in combination with one or more of the following data elements: address, date of birth, phone number, email address, Social Security number, drivers' license, passport or other identification number, policy number, account number, credit card number, financial information; and/or
3. Any combination of Protected Health Information (PHI) that relates to an individual's physical or mental health, medical diagnosis or payment for the provision of health care that can be used to identify an individual.

These protections should be extended to any Symetra customer, policy owner, certificate holder, insured, or beneficiary.



Administrative, technical, and physical safeguards must meet all applicable legal standards and should be reasonably designed to protect the security, confidentiality, and integrity of nonpublic information and information systems. Common safeguards include:

- Securing paper files in locked cabinets and doors.
- Securing access to information systems by using multi-factor or risk-based authentication. Applicable laws may require multi-factor authentication.
- Encrypting nonpublic information both at rest and in motion for any information.
- Confirming with the appropriate Symetra department—prior to sharing any information or facilitating any request by a third party—that the third party has appropriate authorization to act on behalf of the client for the given situation and that appropriate documentation is on file.

Consult with your legal advisor to determine whether you have any additional privacy and security obligations with respect to our customers outside of your business relationship with Symetra.

Immediately report any incident or suspected incident that may impact the privacy of a Symetra customer's personal information, or an attempt (successful or unsuccessful) by an unauthorized individual to gain access to, disrupt or misuse an information system to Symetra at [Privacy@Symetra.com](mailto:Privacy@Symetra.com). Examples of situations to report include but are not limited to: Cyber Security events, any form of data breach, phishing attempts, account takeovers, ransomware attacks, denials of service (DOS) attacks, and stolen or lost laptops, phones or similar items containing customer information or PII or PHI.

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## 5.c. Service Requests

We value the part you play in helping us keep our records as accurate as possible. You should meet with your clients regularly to remain aware of any changes to their contact information, beneficiaries or general situation.

You should refer all policy service requests to the appropriate Symetra service department immediately, keeping in mind:

- Requests for policy loans, partial withdrawals or cancellations (along with any refunds of unearned premiums and any cash surrender values) will be handled only after a written request is received and deemed to be in good order by Symetra. Written requests must be signed by the policyowner(s) and any interested parties (i.e., assignees, irrevocable beneficiaries, and trusts).
- All policy notices, including but not limited to confirmation, premium due, lapse or reinstatement, will be sent to the last known address of the policyowner unless Symetra has a written request on file from the policyowner giving different instructions.
- Any change of address request must be signed by the policyowner. Symetra will not accept any request to change the customer's address to you or your agency's address.
- Life insurance reinstatement applications must be completed by the insured and signed by both the insured and the owner, and will be reviewed promptly by Symetra according to regulatory requirements and applicable policy language.

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## 5.d. Benefit Plan Reports

Under the requirements of the Employee Retirement Income Security Act of 1974 (ERISA), an employee benefit plan is required to make an annual report using a Form 5500 with various attached schedules of information. The filing obligation belongs to the Plan Administrator. The Plan Administrator is the employer sponsoring the plan, unless a specific entity or person has been named in the plan document.

Form 5500 requires information regarding the number of participants, financial information about the assets held in the plan, and the service providers involved with the plan. Symetra will furnish this information to benefits customers (employers) on an annual basis. You may request this information on the customer's behalf on a more frequent or ad hoc basis by contacting Benefits Premium Administration: [erisa@symetra.com](mailto:erisa@symetra.com).

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## 5.e. Change of Agent Requests

Requests to change the writing agent of record or servicing agent of record may be granted if it appears to be in the best interest of the customer and the Company.

To change the writing or servicing agent of record on a policy, written consent must be received from the current writing or servicing agent or, if the change is regarding group life and disability insurance, stop loss or workforce benefits, from the policy holder.

Symetra reserves the right to approve or deny any such request and is not bound by the change until it is approved and processed.

A new writing agent of record must be properly appointed by Symetra, and the change must comply with all applicable state laws and regulations.

The Company assumes no responsibility for the validity of the change of writing agent of record and the Company is held harmless with regard to any amount paid by it to the new writing agent of record. For those policies identified in writing as a part of the change in writing agent of record, the future commission and all past, present and future obligations are transferred to the new writing agent of record.

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## 5.f. Returned Mail and Unclaimed Property

When a client purchases a policy or contract from Symetra, our promise is to provide a benefit to that client or his or her beneficiary. To ensure that our policy and contract owners and their beneficiaries are provided with all of the benefits to which they are entitled, it is important that our information is as current as possible.

In an effort to keep records up-to-date, you should keep in contact with your clients and provide us with, or where applicable, instruct them to provide us with, updated or current client and beneficiary information including but not limited to: name, Social Security number, date of birth, address and phone number.

If Symetra receives returned or rejected mail related to any contracts you service, we may reach out to you for assistance in locating the contract owner or beneficiary.

If Symetra makes reasonable attempts to locate but is unable to locate a contract owner or beneficiary, the contract value or benefits may be escheated to the appropriate state and the contract owner or beneficiary will thereafter have to contact the state directly for any funds owed to them.

## SECTION 6

# Handling Complaints

Symetra is committed to providing fair and timely handling of customer complaints. All insurance producers, agencies, and distribution partners must notify Symetra immediately upon learning of a complaint involving the sale or administration of a Symetra product or service by sending a detailed email to [ComplaintReview@symetra.com](mailto:ComplaintReview@symetra.com). Mutual collaboration is essential to ensure both firms meet the highest customer service standards and provide prompt, unified responses to our customers and regulators. Symetra would appreciate the opportunity to review your response prior to mailing.

Symetra defines a complaint as any written communication that primarily expresses a dissatisfaction with a specific person or entity subject to regulation under the state's insurance laws. An oral communication that is subsequently converted to a written form will meet the definition of complaint for this purpose. It may sometimes be a judgment call as to whether a communication should be considered an inquiry, in which a customer is merely asking for information or service, or a complaint in which the customer is expressing a grievance. You should consider the language used and the tone when deciding whether a communication is a complaint. A complaint can include a customer's dissatisfaction with the solicitation of the product by you, an agency/firm, or other representative. Examples of communications that should be handled as complaints include any allegation of:

- Violations of applicable law
- Criminal activity
- Misappropriation
- Misrepresentation
- An inappropriate or unsuitable sale
- An inappropriate replacement

Complaints may come from various sources, including but not limited to:

- Customers
- Beneficiaries
- Regulators
- Attorneys
- Law enforcement
- Social media
- Customer surveys

Please note that an inquiry about an administrative or service request may or may not be a complaint.

Complaints received from customers will be acknowledged by Symetra's Operations Department. To ensure a positive customer experience and to promote transparency, Symetra strives to acknowledge customer complaints within 5 business days and to address complaints promptly. Please note that regulatory agencies often require specific timeframes for full research and resolution of complaints. A copy of our response will be provided to you, your firm or agency.

We will notify you of any complaints received related to business you have written or business you service. Again, neither you nor anyone acting on your behalf may discuss the complaint or its resolution with the customer or any related party without Symetra's prior approval.

You must fully cooperate with Symetra as we review the situation and determine the appropriate course of action.

Symetra will request a written response from you. We may also ask for copies of applications, sales materials or other materials used with the customer. We reserve the right to contact the customer directly at any time during our review to establish facts and circumstances or to obtain additional information.

Your written response is due within five business days of our request. You should use your written response as an opportunity to “tell your side of the story” and explain any and all details that may be relevant to our review and resolution of the complaint.

## SECTION 7

# Recap of Prohibited or Restricted Activities



As you have read in this Guide, Symetra has established policies and procedures that prohibit or restrict certain activities and areas of business.

This Guide cannot discuss all topics, laws and regulations that may affect your activity as you offer Symetra products to consumers, nor is it intended to address all details of any specific situation.

It is your proactive responsibility to understand and remain aware of the prohibited or restricted activities related to your activities as a Symetra producer.

Refer to this Guide, the NAIC, the insurance divisions in the states where you are licensed, and our periodic Compliance Reminders. Contact us directly if you require additional guidance.

## SECTION 8

# Enforcement



Symetra is committed to maintaining ethical market conduct and sales practices. As such, the Company will establish, monitor and enforce policies and procedures to ensure compliance with this Guide.

If Symetra determines that you have failed to comply with company policies, procedures and/or guidelines, one or more of the following steps may be taken:

- Training or re-training may be required before additional activities on behalf of Symetra may be initiated.
- Your sales may be monitored for a set period of time.
- A verbal or written warning may be issued.
- Your appointment with Symetra may be suspended or terminated.
- Your conduct may be reported to the appropriate regulator(s).

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## Corporate Headquarters

### **Symetra Life Insurance Company**

State of Domicile: Iowa

Statutory Home Office: 4350 Westown Parkway, Suite 180, West Des Moines, IA 50266

Principal Place of Business: 777 108th Ave NE, Suite 1200, Bellevue, WA 98004

Licensed in all states except New York

### **First Symetra National Life Insurance Company of New York**

State of Domicile: New York

Statutory Home Office: 420 Lexington Ave, Suite 300, New York, NY 10170

Principal Place of Business: 777 108th Ave NE, Suite 1200, Bellevue, WA 98004

Licensed in New York State only

### **Symetra National Life Insurance Company**

State of Domicile: Iowa

Statutory Home Office: 4350 Westown Parkway, Suite 180, West Des Moines, IA 50266

Principal Place of Business: 777 108th Ave NE, Suite 1200, Bellevue, WA 98004

Licensed in all states except: AK, HI, MA, ME, NH, NJ, NY, RI, VT, WY



Symetra Financial Corporation  
777 108th Avenue NE, Suite 1200  
Bellevue, WA 98004-5135  
[www.symetra.com](http://www.symetra.com)

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Securities are offered through Symetra Securities, Inc. ("SSI", member FINRA), 777 108th Avenue NE, Suite 1200, Bellevue, WA 98004.

Life insurance and annuities are issued and employee benefits are insured by Symetra Life Insurance Company, (est. 1957) 777 108th Avenue, NE, Suite 1200, Bellevue, WA 98004 and are not available in all U.S. states or any U.S. territory.

In New York, life insurance and annuities are issued and employee benefits are insured by First Symetra National Life Insurance Company of New York, New York, NY (est. 1990). Mailing address is P.O. Box 34690, Seattle, WA 98124.

Symetra Financial Corporation is the parent company of all subsidiaries under Symetra.