

Submitting New Business with a Trust?

Make sure it meets these requirements!

The member annuity companies of Great American Insurance Group value your business and strive to make doing business with us easy. To help ensure your paperwork is complete and avoid processing delays, follow the below requirements when submitting business where a trust is named as the annuity contract owner.

If you're submitting an application that names a trust as the owner or an Ownership Change Form that names a trust as the new owner, then we require:

- ★ One of the following:
 - A completed Trust Certification form (X6017907NW). **All questions and information must be completed;** or
 - A Certificate of Trust or Memorandum of Trust prepared by an attorney; or
 - A full copy of the trust document.
- ★ In the case of a revocable trust, each living grantor must be named as annuitant. If more than one, they must be named as joint annuitants.
- ★ In the case of an irrevocable trust, either a completed Trust Certification form (X6017907NW) with the Irrevocable Trust Addendum (page 2 of that form) OR a full copy of the trust document. If the Irrevocable Trust Addendum indicates that the trust is a grantor-type trust for tax purposes, or we make that determination from the full trust document, then each substantial owner of the trust must be named as annuitant. If more than one, they must be named as joint annuitants.
- ★ The trust owner must be named the sole primary beneficiary. This avoids a possible conflict between the terms of the trust and the beneficiary rules of the contract.
- ★ The trustees of the trust must sign as the owner on the application or as the new owner on the Change of Ownership Form and on any additional documents. A trustee should write "Trustee" or "TTEE" after his or her signature.

We reserve the right to request a copy of pages from the trust document if a requested transaction calls for review of trust provisions. This is likely to occur where the trust had more than one grantor but one of them is now deceased.

For applications that name a trust as the owner:

- ★ The trust must be signed by the settlor. We will not accept an application if the trust was created on behalf of the settlor by an attorney-in-fact using a Power of Attorney (POA).
- ★ If the funds to be applied to the contract were not previously held in the trust name, our Third Party Check form (N2654911NW) must be completed by the owner of the funds.

For client financial disclosure information related to applications that name a trust as the owner:

- ★ If the trust is a **revocable trust**, then the trustee should complete form D2624215NW based on the settlor's income, assets, and health (whether or not the trustee is the settlor).
- ★ If the trust is an **irrevocable trust**, then the trustee should complete form D2658915NW based on the trust's income, assets, and obligations.
 - For Florida sales** where an irrevocable trust is named the owner, the trustee must complete form D2658915FL.

For 1035 exchanges into a contract owned by a trust:

- ★ If the annuitant(s) listed on the contract at the prior carrier do not meet our requirements outlined above, please follow the instructions below:
 - On the application, please list the annuitant(s) that comply with our requirements
 - On the transfer paperwork, please list the annuitant(s) on the contract of the prior carrier
 - Complete the 1035 Exchange – Trust Processing Detail form (S6052416NW) to request a pre-issue change of annuitant(s) that will comply with our requirements
- ★ For an irrevocable trust that is not a grantor-type trust, the annuitant(s) on our contract must be the same as the annuitant(s) for the contract at the prior carrier. We will need verification of the annuitant(s) named for the contract at the prior carrier. If an annuitant for the contract at the prior carrier is deceased, we can accept the business only as an **Inherited Non-qualified** contract.

For Ownership Change Forms that name a trust as the new owner:

- ★ The form must be signed by the current contract owner; or
- ★ If the form is signed by an attorney-in-fact under a POA, then the attached POA transfer requirements must be met.

If you're submitting an Ownership Change Form to transfer a non-qualified contract out of a trust, then we require one of the following:

- ★ If the trust is revocable, then the transfer must be to a grantor of the trust.
- ★ If the trust is irrevocable, then we must receive a copy of the trust pages verifying that a distribution is payable from the trust and who is entitled to that distribution. We may also need to see documentation, such as a copy of a death certificate, to confirm that a distribution is currently payable.

We will not accept new business where a Great American company agent or related party has signed as the witness or notary on trust or POA documents, or where the agent is also performing legal services for the client as a lawyer. An independent third party notary should be used.

Power of Attorney Transfer Requirements

In general, most Powers of Attorney do not authorize the attorney-in-fact to make unlimited gifts on behalf of the principal. Additionally, most Powers of Attorney do not authorize the attorney-in-fact to take actions that directly or indirectly benefit the attorney-in-fact personally.

These legal restrictions often mean that an attorney-in-fact cannot use the POA to:

- ★ Transfer funds related to an application into an annuity contract owned by someone other than the principal; or
- ★ Transfer ownership of an existing annuity contract or life insurance policy.

In order to review an application or transfer of ownership request involving the use of a POA, we initially require:

- ★ A full copy of the POA document;
- ★ Our Power of Attorney Affidavit (AAG2816) completed and signed by the attorney-in-fact and notarized within 90 days of the request; and
- ★ If the transfer is to a trust, a full copy of the trust document.

In general, we will approve the transfer by the attorney-in-fact only in situations where:

- ★ The POA document is being used to fund a revocable trust created by the principal, and such act is authorized by the POA document; or
- ★ The POA document includes the authority to make gifts or transfers in trust, the particular transfer is within the limits imposed on such authority, and the attorney-in-fact will not personally benefit from the transfer, directly or indirectly; or
- ★ The POA document includes the authority to make gifts or transfers in trust, the POA document specifically includes the authority to make a transfer that will personally benefit the attorney-in-fact, and the particular transfer is within the limits imposed on such authority; or
- ★ The POA document is being used to transfer title to a spouse in a community property state; or
- ★ The transfer is ratified and confirmed in writing signed by the principal and notarized; or
- ★ The transfer is authorized by a specific court order.

Please note that a POA document that specifically includes the authority to make a transfer that will personally benefit the attorney-in-fact will generally be considered a "general power of appointment" that may give rise to adverse estate and gift tax consequences. The principal should consult with a knowledgeable attorney before signing a POA document that includes such authority.

Agent Conflicts of Interest

You should not serve in any capacity that may be construed as creating a conflict of interest (e.g. Attorney in Fact), nor should you serve as a trustee or successor trustee of a trust that is established as the owner of, or other party to, an annuity contract. Additionally, you may not use family members, business associates or any other party to accomplish what you are otherwise prohibited in doing in this regard. Please refer to our Market Conduct & Compliance Guide for more information.

Thank you for your business!



Member Companies:
Great American Life Insurance Company®
Annuity Investors Life Insurance Company®
Manhattan National Life Insurance Company

Administration for Life Insurance and Annuities:
United Teacher Associates Insurance Company
Continental General Insurance Company®
Loyal American Life Insurance Company®
Central Reserve Life Insurance Company
Provident American Life & Health Insurance Company

Fixed Annuities: PO Box 5420, Cincinnati OH 45201 / 800-854-3649 / 800-482-8126 Fax
Variable Annuities: PO Box 5423, Cincinnati OH 45201 / 800-789-6771 / 513-768-5115 Fax
Overnight Address:
Fixed/Variable Annuities: 10th Floor, 301 E Fourth St, Cincinnati OH 45202

TRUST CERTIFICATION AND AGREEMENT

Name of Trust:

Contract Number(s) (if known)

Certification. Each trustee certifies under penalties of perjury:

1. The trust exists under a written trust instrument executed on: *insert date of original trust (month/day/year)*
2. The trust was created and is valid under the law of the state of: *insert name of state*
3. The name of each grantor of the trust is: *insert name(s) of grantor(s)*
4. The name and address of each currently acting trustee of the trust is:

| <i>trustee name(s):</i> | <i>address:</i> |
|-------------------------|----------------------|
| <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> |
5. The trust is: ☐ **Irrevocable** (complete Irrevocable Trust Addendum or provide a full copy of the trust document)
(check one) ☐ **revocable**, and the name each grantor who currently holds a power to revoke is: *insert name(s) (if applicable)*

Please note that we require the grantor of a revocable trust to be named as the annuitant under the annuity contract. If more than one, all the grantors should be named as joint annuitants.

6. If there is more than one currently acting trustee: ☐ Co-trustees must act **unanimously** in exercising trust powers
(check one) ☐ A **majority** of co-trustees must act in exercising trust powers
☐ Each co-trustee may **independently** exercise trust powers
☐ Not applicable (there is only one trustee)
7. The tax identification number for the trust is: *insert EIN (or SSN if grantor-type trust)*
8. The trust authorizes the trustee(s) to purchase, receive, hold, assign, annuitize, take withdrawals from, surrender, and otherwise deal with annuity contracts, and to cause the proceeds from any such transaction to be paid directly to the beneficiaries and others as the trustee(s) may direct.
9. The trust has not been revoked, modified, or amended in any manner that would cause these representations to be incorrect. This certification supersedes any prior certifications, documents, or information regarding this trust.

Agreement to Provide Copies. At the request of the GAIG company, each trustee agrees to furnish a copy of those excerpts from the original trust instrument and later amendments that designate the trustee(s) and confer upon the trustee(s) the power to act with respect to an annuity contract or transaction.

Designation of Beneficiary. Each trustee hereby designates the trust itself as the beneficiary of the annuity contract(s) owned by the trust and issued or administered by the GAIG company. This designation revokes all prior designations. This designation is irrevocable during any period that the annuity contract is owned by the trust.

Indemnification. Each trustee agrees, both on behalf of the trust and individually, jointly and severally, to indemnify the GAIG company and hold it harmless from any claims, liabilities, and expenses, including reasonable attorney fees, that arise from following the instructions of the trustee(s) or that arise from reliance by the GAIG company on the certifications made above. This indemnification shall survive the termination of the trust, the annuity contract, or this certification and agreement.

Reliance. On behalf of the trust, each trustee hereby agrees that the GAIG company may rely on the certifications made above until the GAIG company receives a new certification, on its form or in a manner satisfactory to the GAIG company, advising it of any changes related to the trust or the trustee(s).

Signature of Trustee

Date

Signature of Co-Trustee (if applicable)

Date

NOTE: We generally require that all co-Trustees
sign this form

Signature of Co-Trustee (if applicable)

Date



Member Companies:
 Great American Life Insurance Company®
 Annuity Investors Life Insurance Company®
 Manhattan National Life Insurance Company

Administration for Life Insurance and Annuities:
 United Teacher Associates Insurance Company
 Continental General Insurance Company®
 Loyal American Life Insurance Company®
 Central Reserve Life Insurance Company
 Provident American Life & Health Insurance Company

Fixed Annuities: PO Box 5420, Cincinnati OH 45201 / 800-854-3649 / 800-482-8126 Fax
 Variable Annuities: PO Box 5423, Cincinnati OH 45201 / 800-789-6771 / 513-768-5115 Fax

Overnight Address:

Fixed/Variable Annuities: 10th Floor, 301 E Fourth St, Cincinnati OH 45202

IRREVOCABLE TRUST ADDENDUM

WHY ARE WE ASKING FOR THIS INFORMATION? Federal tax law provides that to qualify for tax deferral, the terms of an annuity contract must require payment of all contract benefits within a period measured from the death of the contract owner. Federal tax law also provides that a grantor trust is disregarded for tax purposes. When owned by a trust, the terms of GAIG annuity contracts only require payment of contract benefits within a period measured from the death of the annuitant. To assure that our contracts qualify for tax deferral in cases where a contract is to be owned by a grantor-type trust, we will require that each grantor or beneficiary who is a substantial owner of the trust be named as annuitant.

In addition, federal tax law provides that when the owner of a deferred annuity contract is a trust or other entity, the contract will only qualify for tax deferral if the trust or other entity holds the contract as an agent for human beings. If a trust is not a grantor-type trust, it is important to consider whether it has any nonhuman beneficiaries.

Name of Trust:

Contract Number(s) (if known)

Tax Status Certification. Each trustee represents that he/she/it has been advised by the attorney who created the trust, or by another attorney who is familiar with trust administration and tax issues, regarding the income tax treatment of this irrevocable trust under the grantor-trust rules of Internal Revenue Code Sections 671-678. Based on this advice, each trustee hereby certifies: (check one)

- A ☐ This trust is a grantor-type trust under which the grantor(s) or one or more beneficiaries is/are treated as the substantial owner(s) of the trust for income tax purposes. The name, social security number, and relationship(s) to the trust of each person who is treated as a substantial owner of the trust are as follows:

| substantial owner name: | social security number: | Relationship(s) to the trust: (check one or both) |
|-------------------------|-------------------------|---|
| | | <input type="checkbox"/> grantor <input type="checkbox"/> beneficiary |
| | | <input type="checkbox"/> grantor <input type="checkbox"/> beneficiary |
| | | <input type="checkbox"/> grantor <input type="checkbox"/> beneficiary |

Please note that we require the substantial owner of the trust to be named as the annuitant under the annuity contract. If more than one, all the substantial owners should be named as joint annuitants.

- B ☐ No grantor or beneficiary has any right in or control over the trust that would cause him/her to be treated as a substantial owner of the trust for income tax purposes. As a result, the trust is treated as a separate taxable entity from the grantor(s) and beneficiaries. For this trust: (check one)

- (1) ☐ All current and vested remainder beneficiaries are human beings.
 (2) ☐ One or more of the current beneficiaries or vested remainder beneficiaries is a corporation or business entity, an educational, religious, or charitable organization, or another trust that has a non-human beneficiary. **The annuity contract may not qualify for tax deferral. Please consult your tax advisor.**

Responsibility for Tax Treatment and Consequences. Each trustee accepts full responsibility for the tax treatment of the trust, and any adverse tax consequences that may arise if this information is incorrect, or if a substantial owner is not named as annuitant, or if the trust has a current beneficiary or a vested remainder beneficiary who is not a human being.

Indemnification. Each trustee agrees, both on behalf of the trust and individually, jointly and severally, to indemnify the GAIG company and hold it harmless from any claims, liabilities, and expenses, including reasonable attorney fees, that arise from the GAIG company's reliance on the certifications made above. This indemnification shall survive the termination of the trust, the annuity contract, or this trust certification addendum.

Reliance. On behalf of the trust, each trustee agrees that the GAIG company may rely on the certifications made above until the GAIG company receives a new certification, on its form or in a manner satisfactory to the GAIG company, advising it of any changes or corrections related to the tax status of the trust.

Signature of Trustee

Date

Signature of Co-Trustee (if applicable)

Date

NOTE: We generally require that all co-Trustees sign this form

Signature of Co-Trustee (if applicable)

Date