

# Investment Switch Form

Rep Code	Rep Code

## 1 Investment Side by Side Comparison

This section must be completed to provide a meaningful review and full information to the client. Incomplete forms will delay the review and approval of an application.

	EXISTING INVESTMENT*	PROPOSED INVESTMENT*																																												
*If none, write "0" or "NA" as applicable.																																														
Company:																																														
Type of Account (MF/VA/EIA/Etc.):																																														
Product Name:																																														
Account / Contract Number:																																														
Opening Date:																																														
Did your Representative sell this investment?	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A																																												
Initial Total Investment:	\$	N/A																																												
Sales Charges / Advisory Fees Paid:	\$	N/A																																												
Full or Partial Transfer?	<input type="checkbox"/> Full <input type="checkbox"/> Partial	N/A																																												
Amount to be Transferred:	\$	N/A																																												
Market Value:	\$	N/A																																												
Previously replaced annuities: (VA / EIA only)	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A																																												
Date of last replacement: (VA / EIA only)		N/A																																												
Death Benefit: (VA / EIA only)	\$	\$																																												
Surrender Period (if any):	<table border="1"> <tr> <td>YR</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td>%</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	YR	1	2	3	4	5	6	7	8	9	10	%											<table border="1"> <tr> <td>YR</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td>%</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	YR	1	2	3	4	5	6	7	8	9	10	%										
YR	1	2	3	4	5	6	7	8	9	10																																				
%																																														
YR	1	2	3	4	5	6	7	8	9	10																																				
%																																														
Total Surrender Charge (if any):	(-\$)	N/A																																												
Net Amount After Surrender Charge (if any):	\$	N/A																																												
Tax Penalty (if any):	%	N/A																																												
Bonus Recapture (if any):	(-\$)	N/A																																												
Bonus Credit (if any):	N/A	%																																												
Annual Free Withdrawal %: (VA / EIA only)	%	%																																												
OPTIONAL RIDERS (VA / EIA only)	<input type="checkbox"/> None (Skip to Next Section)	<input type="checkbox"/> None (Skip to Next Section)																																												
Living Benefit Rider Name:																																														
Guaranteed Minimum Living Benefit Base:	\$	\$																																												
Death Benefit Rider Name:																																														
Enhanced Death Benefit Amount:	\$	\$																																												
Guaranteed Minimum Death Benefit Base:	\$	\$																																												
Other Rider (specify):	\$	\$																																												
EXPENSES																																														
Front End or Annual Sales Charge:	%	%																																												
Mortality and Expense Charge: (VA only)	%	%																																												
Annual Administration Charge:	%	%																																												
Annual Contract Maintenance Fee (if any):	%	%																																												
Living Benefit Rider Expense:	%	%																																												
Death Benefit Rider Expense:	%	%																																												
Total Expenses (does not include subaccount expenses):	%	%																																												
Fund / Subaccount Expense Range	% to %	% to %																																												

## Investment Switch Form

### 2 Reason(s) for This Replacement

#### Intended Use for the Proposed Investment (select all that apply)

<input type="checkbox"/> Death Benefit	<input type="checkbox"/> Annuitization	<input type="checkbox"/> Retirement Supplement
<input type="checkbox"/> Income / Living Benefits	<input type="checkbox"/> Diversification	<input type="checkbox"/> Insurability
<input type="checkbox"/> Survivor Income	<input type="checkbox"/> Market Opportunities	<input type="checkbox"/> Special Features (describe below)
<input type="checkbox"/> Estate Needs	<input type="checkbox"/> Long Term Accumulation	<input type="checkbox"/> Tax Advantaged Growth
<input type="checkbox"/> Business Needs	<input type="checkbox"/> Premium Flexibility	<input type="checkbox"/> Other (describe below)

Please provide a detailed explanation of all the choices made above, including, but not limited to:

- Economic benefit to the client
- What the new contract provides/allows that the existing contract does not
- Retirement needs / Estate needs
- Reasons for adding riders
- How increased/decreased costs will help/hinder the clients' plans
- Client goals for these funds
- Any other information to help review and approve the contract

Please attach additional page(s) as needed

### 3 Surrender Charges

This switch has a surrender charge totaling \$\_\_\_\_\_ resulting in an immediate **loss** to your investment.

Current Value \$\_\_\_\_\_ Contract Year \_\_\_\_\_ Deferred Sales Charge Percentage \_\_\_\_\_ %

**(VA/EIA ONLY)** An annuity is intended as a long-term investment. Most annuities allow you to withdraw either your interest earnings or up to 5-10% per year without a penalty (although withdrawals can impact income stream amounts and the death benefit and may be subject to taxes and a 10% federal penalty if taken prior to 59½ years of age). If you choose to replace an existing annuity before the surrender period has ended, the insurance company will deduct a Contingent Deferred Sales Charge (CDSC or Surrender Charge). This charge will be deducted from your current market value, possibly erasing any gains that have been made in the account(s) and may even provide a negative return. You must fully understand the cost versus benefit analysis of the replacement.

If surrender charge is being charged, please answer the following questions:

- Please explain why you feel it is more beneficial to replace now vs. waiting for the surrender schedule to expire.
- Please explain why you feel it is more beneficial to replace the full amount now vs. surrender free amounts until the surrender schedule expires.
- Please provide a cost benefit analysis to justify this additional expense, including but not limited to:
  - Fee reduction to offset the CDSC
  - Time limits to make the new purchase
  - An explanation for not waiting for the surrender period to end
  - When or if the client will recoup these additional costs

*NOTE to Representatives: The Expense Analyzer in the Morningstar Annuity Intelligence Program and/or the Fund Analyzer at FINRA.org can help you answer these questions.*

Please use additional page(s) as needed

I approve paying these surrender charges.



(Initials)

(Initials)

### 4 Important Information Regarding Annuities

**Annuity Exchanges or Replacements.** Tax-free exchanges, known as 1035 exchanges, can be useful if another annuity has features that you prefer, such as a larger death benefit, different annuity payout options, a wider selection of investment choices, or you have concerns about the company that issued the contract. Be aware that:

- If you are in the surrender period, you may have paid a surrender charge.
- A new surrender charge period begins when you exchange into the new annuity.
- The new annuity may have higher annual fees and charges than the old annuity, which will reduce your returns.

**Bonus:** If the new contract offers a bonus, this should not be the only justification for paying surrender charges. Withdrawals or other activity may affect the crediting of your bonus. You must read the prospectus carefully to understand how the bonus is credited and when / if the bonus may be reclaimed/rescinded by the insurance company.

**You understand that past performance does not guarantee future returns. If your stated reason for the replacement is to increase your return, you are aware that markets can turn without warning and that the potential for loss in your investment is as great as the possibility of better returns.**

**NOTE:** Neither Fortune Financial Services, Inc. nor any of its representatives acting in that capacity are licensed to give legal or tax advice. The general tax information given herein is a summary, and not a complete discussion of tax laws and regulations that may relate to the current contract under discussion. You should consult your own tax advisor, as well as your attorney for legal advice concerning all tax matters before purchasing this annuity.

### 5 Important Information

**Changing your investments may be beneficial** if another company or investment has features that you prefer such as lower fees, different investment options, or a wider selection of investment choices. Be aware that:

- You paid sales charges or fees on the investment you are liquidating and face the possibility of paying sales charges on the new investment.
- This transaction may result in an investment loss.
- You may incur a capital gain tax liability on any profit realized thus reducing your investment capital by the extent of such capital gain, if any. For retirement accounts, there may be federal income tax penalties for withdrawals before age 59 ½.
- Your current investment may have other options to meet your needs without additional sales charges.
- There may be alternative investments to the one you currently own into which you can invest without sales charges.
- If this transaction involves the surrendered annuities, you will lose any guarantees, benefits, or riders that you have already paid for.
- Expenses in the new investment may be higher than in the current investment.
- You understand that it is not the Company's policy to recommend the sale and purchase of securities unless your investment or personal objectives can be better served.

**You understand that past performance does not guarantee future returns. If your stated reason for the switch is to increase your return, you are aware that markets can turn without warning and that the potential for loss in your investment is as great as the possibility of better returns.**

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6

Review and Sign this Disclosure



*By evidence of my signature, I attest that my Fortune Financial Services Representative has reviewed each page of this disclosure.  
I have read and have a complete understanding of all the features on my purchase.*

Primary Applicant Name (please print)

Primary Applicant Signature

Date

Co-Applicant Name (please print)

Co-Applicant Signature

Date

Representative Signature

Date

**INTERNAL USE ONLY**

☐ The client information form has been reviewed in conjunction with this Replacement Form

Approving Principal Signature

Date