

# ATLANTIC COAST LIFE INSURANCE COMPANY



## ANNUITIES FIELD GUIDE

Atlantic Coast Life Insurance Company  
Administrative Office  
PO BOX 27248  
Salt Lake City, UT 84127-0248  
P: 844-442-3847  
F: 888-433-4795

This guide is intended to help you sell the Atlantic Coast Life Insurance Annuities. There are also several other tools available to support your needs, including the Quick Sheets and Client Brochures. You must ensure that you correctly represent, to a customer or prospect, the product features based on the actual wording of the applicable annuity and riders for your state.

Some features may not be available in all jurisdictions, and certain restrictions may apply. The Sales Department can provide more detailed product information and state availability.

For producer use only:

This document is intended for producer use only and should not be disclosed to the public. The information contained in this guide is general in nature and is subject to the applicable annuity and rider language.

## IMPORTANT CONTACT INFORMATION

---

### **Home Office:**

1565 Sam Rittenberg Boulevard  
Charleston, SC 29407

### **Administrative Office:**

PO Box 27248  
Salt Lake City, UT 84127-0248

Toll-Free Telephone	844-442-3847
Business Fax	888-433-4795

### **Website:**

[acl.admin-portal.org](http://acl.admin-portal.org)

## AGENT REQUIREMENTS

*Please review the following to ensure that you are current on all requirements to sell annuity products.*

- E&O Coverage (minimum amounts of \$1,000,000 single occurrence and \$1,000,000 in aggregate)
- AML Training (required every two years)
- Training as required by NAIC Suitability in Annuity Transactions Model Regulation

Please visit [acl.admin-portal.org](http://acl.admin-portal.org) for more information.

## ANNUITY PREMIUM TAXES

To date seven states have tax annuity considerations.

### States Requiring Premium Taxes

State	Qualified	Non-Qualified
California	0.50%	2.35%
Maine	0.00%	2.00%
Nevada	0.00%	3.50%
South Dakota	1.25% on first \$500,000 0.08% portion exceeding \$500,000	1.25% on first \$500,000 0.08% portion exceeding \$500,000
West Virginia	1.00%	1.00%
Wyoming	0.00%	1.00%

Note: Although Florida imposes a premium tax, the state grants exemption from the tax if the insurer can show that the savings from the exemption are passed on to Florida policy owners. Atlantic Coast Life Insurance Company will pass on the premium tax savings to Florida policy owners so no premium taxes will be withheld.

### Procedures - South Dakota

For all annuities except the Safe Harbor and the Safe Haven, Atlantic Coast Life will pay premium taxes in the state of South Dakota on a 'front-end' basis, as required by the Department of Insurance. The premium deposit will be reported at the time premiums are paid for the purchase of the deferred annuity, and the premium tax amount will be deducted from the policy owner's account. The full initial premium deposit will be reflected in the contract delivered to the policy owner and the payment of the premium taxes will be reported to the policy owner when the first annual Contract Summary is delivered.

For the Safe Harbor and the Safe Haven annuities, Atlantic Coast Life will pay premium taxes as outlined above only when the Death Benefit Rider is elected. If no Death Benefit Rider is elected, premium taxes are not required. It is important that the policy owner is aware of the premium tax liability at the point of sale. Please make sure your clients are aware of this situation and how Atlantic Coast Life will process the transactions.

### Procedures - West Virginia

West Virginia Premium Taxes will be charged on a 'back-end' basis upon annuitization only.

***Atlantic Coast Life Insurance Company is not currently offering annuities in California, Maine, Nevada, or Wyoming.***

## IMPORTANT ITEMS TO CONSIDER

1. Age used for commissions – owner (See commissions section for more details)
  - a. if joint then older of the two
  - b. if non-natural owner then age of oldest annuitant
2. Age used for maturity/issue age - owner
  - a. if joint then older of the two
3. Age used for calculating surrender charges – owner
  - a. if joint then older of the two
4. When there are joint owners/annuitants we assume 50%/50% ownership for tax reporting purposes

## POLICIES

Policies are issued daily. Atlantic Coast Life Insurance Company dates the business as of the day cash is received. Contract processing activities take two business days before the policy is sent to the agent.

If the policy is approved other than as applied for, the Agent will be notified and allowed one business day to advise us whether or not to proceed. Otherwise, the policy will be issued for and the credited interest will be adjusted accordingly.

Policies will be sent to the agent. Policies under \$200,000 are sent by FedEx 2-Day Delivery. Policies \$200,000 or more are sent by FedEx Overnight Delivery.

## APPLICATION PROCESS

Applications may be submitted by e-mail to [acl.newbusiness@insadmins-services.com](mailto:acl.newbusiness@insadmins-services.com). Applications not e-mailed should be sent by FedEx delivery to Administrative Office, 1405 West 2200 South, Salt Lake City, UT 84119. Please do not use regular mail.

- The original Transfer/1035 Exchange Form is required upon submission. Send the original Transfer/1035 Exchange Form and/or check by overnight delivery to the Administrative Office. After sending our Letter of Acceptance to the transferring company we will follow up every seven (7) days until funds are released.
- All applications are considered on an individual basis. Atlantic Coast Life Insurance Company reserves the right to limit or reject any application based on the suitability of each client.
- Ensuring that all applicable fields are completed will help expedite processing time.
- The current year's RMD should be taken prior to transfer/rollover to Atlantic Coast Life Insurance Company.
- Policies are approved to be issued once all missing requirements, including funds, are received. The Safe Haven and Safe Harbor Bonus Guarantee annuities are issued daily. The Guaranteed Income, Income Navigator, Retirement Plus Multiplier, and Safe Anchor annuities are issued 4 times a month on the 1st, 8th, 15th, and 22nd. Policy contracts are mailed one to two business days after the policy's Issue Date.
- Delivery Receipts – we do require delivery receipts prior to paying commissions for any contract with a single premium of \$250,000 or more.

## CREDITING INTEREST RATE, PARTICIPATION RATE, AND CAP CHANGES

Once a decision has been made to change the crediting rate and/or participation rate, we will notify agents via e-mail and on our website. From the time of the announcement there will be up to a two-week period before the changes take effect. However, in some cases a shorter notice period may be required. All applications signed and dated prior to the effective date must be received at the Home Office within five business days.

45 Day Hold – we will process applications for up to 45 days from the effective date of any crediting rate and/or participation rate adjustments for all applications dated prior to the rate adjustment effective date. This hold period should be sufficient to allow for processing and any exchanges or transfers that need to take place before the contract is issued. All applications signed on or after the effective date of a rate adjustment will receive the current crediting rate and/or participation rate. If the crediting rate and/or participation rate increases, all applications received regardless of the date signed, will receive the higher crediting rate and/or participation rate.

Any applicable Index Account Caps and beginning values for the S&P 500 index will not be set until the policy date. They may be different from the Cap set when the application was signed.

## TRUSTEE CERTIFICATION OF TRUST

If the Owner or Beneficiary is a Trust, please complete form **CERTTRUST-OT, Trustee Certification of Trust** and include a copy of the following pages from the Trust documents with the application:

- Page indicating Name of Trust
- Signature page of Trust document
- TIN (tax identification number) for the Trust
- Application must be signed with a designation after each signature
- In addition to the Trustee Certification, please complete the **72u Trust and Other Non-Natural Owner** form

## OWNER/BENEFICIARY AS A CORPORATION, NON-PROFIT ORGANIZATION OR ENTITY

If the Owner or Beneficiary is a Corporation/Entity, please include a copy of the following with the application:

- Certificate of Existence/Certificate of Good Standing
- TIN (tax identification number)
- Application must be signed with a designation after each signature
- In addition to the Certification of Existence/Certificate of Good Standing, please complete the **72u Trust and Other Non-Natural Owner** form

## RENEWAL PROCEDURES

- We will send notice of renewal options to Owners, with a copy to the agent(s) of record approximately 45 days prior to a contract anniversary date at the end of the initial guarantee period. The notice will include the necessary forms needed to make changes. The notice will state the current crediting rate, if applicable, however, the rate is subject to change during the time the letter is mailed and the anniversary date.
- The renewal forms are due back to the administration office within the 30 day window prior to the anniversary date. No action is necessary if the client does not want to make any changes or request the funds. We will renew the contract or roll-up period for another guarantee period matching the initial period automatically.
- No additional funds may be added to the contract value during renewal.
- We offer a 45-day rate lock on renewal crediting rates. The rate indicated on the renewal letters will be guaranteed for 45-days after the letter is mailed.

## SUITABILITY

You are **required** to complete the Suitability Questionnaire and review the Disclosure form with each applicant. Return the Suitability form to the Administrative office with the application and leave the Disclosure form with the applicant.

Suitability is based on the producer recommendation and Atlantic Coast Life Insurance Company's assessment of suitability which includes:

- Age
- Annual income
- Financial situation and needs (including funding)
- Financial experience
- Financial objectives
- Intended use of the annuity
- Financial time horizon
- Existing assets (including investment and life insurance holdings)
- Liquidity needs
- Liquid net worth
- Risk tolerance
- Tax status/Filing status

## COMMISSION

Please see your upline for your commission schedule and any details in reference to your commission payout. Below is some general information.

- Commission is based on the owner's age. If there are joint owners, it is based on the older of the two. In the case of a non-natural owner, commissions are based on the annuitant's age or oldest annuitant if there are joint annuitants.
- Commissions are paid based on the owner's age at issue and not the owner's age at the time the application is received.

For example, John Doe's birthday is April 15th. He signed an application on April 1st and is currently 80 years old. The Administrative Office received the application on April 3rd. There was a 1035 request to have funds transferred from an existing annuity. The funds were received at the Administrative Office on April 18th and the policy was issued the same day. The issue age would be 81 and the commissions in this case would be paid based on the issue age 81 and not 80.

- If a policy automatically rolls into a new guarantee period by not removing the funds within the 30 day window, then commissions are automatically paid at half the original commission without any additional paperwork from the agent.
- We do require a delivery receipt prior to paying commissions for any contract with a single premium of \$250,000 or more.
- Commissions are paid upon approval.

## COMMISSION CHARGE BACKS

### Guaranteed Income Annuity

Owner's Death:

- If the owner's issue age is 80 or younger, 100% will be charged back if the death occurs in the first six months of the first contract year and 50% will be charged back if the death occurs in the last six months of the first contract year.
- If the owner's issue age is 81 or older, 100% will be charged back if the death occurs in the first contract year and 50% will be charged back if the death occurs in the second contract year.

Withdrawals and Surrenders:

- Commissions will be charged back if a policy is surrendered or partially surrendered within the first year. The charge back is pro-rated based on the portion of the premium that is surrendered.

### Retirement Plus Annuity

Owner's Death:

- If the owner's issue age is under 80, there is no charge back at death.
- If the owner's issue age is 80 or older, 50% will be charged back if the death occurs in the first contract year.

Withdrawals and Surrenders:

- 100% of commissions will be charged back if a policy is surrendered or partially surrendered in the first six months of the first contract year and 50% will be charged back if the surrender or partial surrender occurs in the last six months of the first contract year. The charge back is pro-rated based on the portion of the premium that is surrendered.

### All Other Annuities

Owner's Death:

- If the owner's issue age is under 80, there is no charge back at death.
- If the owner's issue age is 80 or older, 50% will be charged back if the death occurs in the first contract year.

Withdrawals and Surrender:

- Commissions will be charged back if a policy is surrendered or partially surrendered within the first year. The charge back is pro-rated based on the portion of the premium that is surrendered.

**The Atlantic Coast Life Insurance Company Annuities are Owner-driven contracts with the following death scenarios:**

<b>Owner-driven contracts - What happens if a party to the contract dies (deferral status)</b>		
<b>Ownership arrangement</b>	<b>Who dies</b>	<b>Result</b>
Annuitant and owner are the same	Annuitant / Owner	Death benefit is paid to the beneficiary
Annuitant and owner are the same and there are joint owners and annuitants	One of the Joint Annuitants / Owners	Death benefit is paid to the beneficiary
Annuitant and owner are different individuals	Owner	Death benefit is paid to the beneficiary
Annuitant and owner are different individuals	Annuitant	The owner becomes the annuitant or the owner can choose to name a new annuitant
Annuitant and owner are different individuals and there is joint ownership of the policy	One of the joint owners	Death benefit is paid to the beneficiary
Annuitant and owner are different individuals and there is joint ownership of the policy	Annuitant	One of the joint owners becomes the annuitant or the joint owners can choose to name a new annuitant
Annuitant and owner are different individuals and there are joint annuitants	Owner	Death benefit is paid to the beneficiary
Annuitant and owner are different individuals and there are joint annuitants	One of the joint annuitants	The owner may continue the contract with the remaining annuitant or designate a new joint annuitant
Annuitant and owner are different and the owner is not an individual (trust, corporation, etc.)	Annuitant	Death benefit is paid to the beneficiary

<b>Owner-driven contracts - What happens if a party to the contract dies (payout status)</b>		
<b>Ownership arrangement</b>	<b>Who dies</b>	<b>Result</b>
Annuitant and owner are the same	Annuitant / Owner	Any remaining guaranteed payments will continue to the beneficiary
Annuitant and owner are different individuals (if not an individual the trust can't "die")	Owner	Payments will continue to the beneficiary
Annuitant and owner are different individuals or are not individuals (trusts, corporation, etc.)	Annuitant	Any remaining guaranteed payments would continue to the owner
Annuitant and owner are different individuals and there is joint ownership of the policy	One of the joint owners	The remaining joint owner's portion of the payments continue to their designated beneficiary
Annuitant and owner are different individuals and there is joint ownership of the policy	Annuitant	Any remaining guaranteed payments would continue to the owner
Annuitant and owner are different and the owner is not an individual (trust, corporation, etc.)	Annuitant	Any remaining guaranteed payments would continue to the beneficiary

Atlantic Coast Life Insurance Company has provided this information to help producers understand the ideas discussed. Any examples are hypothetical and are used only to help producers understand the concepts of this product. If an example is not presented here and you need clarification, please contact the Administrative Office for more information or further clarification. What Atlantic Coast Life Insurance Company says about legal or tax matters is its understanding of current law, but Atlantic Coast Life Insurance Company is not offering legal or tax advice. Tax laws and IRS administrative positions may change. This material is not intended to be used by any taxpayer to avoid any IRS penalty. Your clients should consult independent tax and legal professionals for advice based on their particular circumstances. The information presented in this guide should be used in conjunction with contract policy forms for each applicable state.

**AGENT ASSISTANCE**

Live Assistance 8AM - 5PM CST	844-442-3847
Pre-Sale Questions	acl.sales@insadminservices.com
Client Application Status	acl.newbusiness@insadminservices.com
Missing Application Requirements	acl.newbusiness@insadminservices.com
Agent Contract Questions/ Missing Requirements	acl.licensing@insadminservices.com
Application Materials	acl.admin-portal.org