



# HERMANN SONS LIFE

## Application for Annuity & Membership

PLEASE PRINT IN BLUE OR BLACK INK ONLY

### PROPOSED ANNUITANT INFORMATION

FULL NAME (Last, First, Middle)	DATE OF BIRTH	SOCIAL SECURITY NO.

MAILING ADDRESS	CITY	STATE	ZIP CODE

AGE	SEX	BIRTHPLACE (City and State)	HOME PHONE NO.	BUSINESS PHONE NO.

**Know the difference between the 5-year and 9-year plans and why one would benefit the client over the other one. Information on both plans can be found in the Green Section of your Manual.**

SIGNATURE ID
TYPE

<p><b>★ PLAN APPLIED FOR ★</b></p> <table border="0"> <tr> <td> <p><b>5-YEAR FLEXIBLE PREMIUM DEFERRED</b></p> <input type="checkbox"/> NON-QUALIFIED  <input type="checkbox"/> TRADITIONAL IRA  <input type="checkbox"/> ROTH IRA  <input type="checkbox"/> SEP IRA  <input type="checkbox"/> INHERITED IRA </td> <td> <p><b>9-YEAR FLEXIBLE PREMIUM DEFERRED</b></p> <input type="checkbox"/> NON-QUALIFIED  <input type="checkbox"/> TRADITIONAL IRA  <input type="checkbox"/> ROTH IRA  <input type="checkbox"/> SEP IRA  <input type="checkbox"/> INHERITED IRA </td> </tr> </table>	<p><b>5-YEAR FLEXIBLE PREMIUM DEFERRED</b></p> <input type="checkbox"/> NON-QUALIFIED <input type="checkbox"/> TRADITIONAL IRA <input type="checkbox"/> ROTH IRA <input type="checkbox"/> SEP IRA <input type="checkbox"/> INHERITED IRA	<p><b>9-YEAR FLEXIBLE PREMIUM DEFERRED</b></p> <input type="checkbox"/> NON-QUALIFIED <input type="checkbox"/> TRADITIONAL IRA <input type="checkbox"/> ROTH IRA <input type="checkbox"/> SEP IRA <input type="checkbox"/> INHERITED IRA	<p>AMOUNT SUBMITTED</p> <p>\$</p> <p>Total of initial deposit and lodge dues (if applicable).  <b>NO CASH ACCEPTED</b></p>	<p>BANK DRAFT</p> <p>YES <input type="checkbox"/> If YES, attach Bank Draft Authorization Request Form          NO <input type="checkbox"/></p>	<p>APPLICANT'S LODGE NO.</p>
<p><b>5-YEAR FLEXIBLE PREMIUM DEFERRED</b></p> <input type="checkbox"/> NON-QUALIFIED <input type="checkbox"/> TRADITIONAL IRA <input type="checkbox"/> ROTH IRA <input type="checkbox"/> SEP IRA <input type="checkbox"/> INHERITED IRA	<p><b>9-YEAR FLEXIBLE PREMIUM DEFERRED</b></p> <input type="checkbox"/> NON-QUALIFIED <input type="checkbox"/> TRADITIONAL IRA <input type="checkbox"/> ROTH IRA <input type="checkbox"/> SEP IRA <input type="checkbox"/> INHERITED IRA				
AGENT'S NAME		AGENT NO.			

### BENEFICIARY DESIGNATION

1	NAME	RELATIONSHIP	DATE OF BIRTH	SOCIAL SECURITY NO.

Please Choose **One** Designation:  *If Living Otherwise* \* OR \*  *And*  
 If you fail to choose a designation or if your choice is unclear *If Living Otherwise* is assumed.

2	NAME	RELATIONSHIP	DATE OF BIRTH	SOCIAL SECURITY NO.

Please Choose **One** Designation:  *If Living Otherwise* \* OR \*  *And*  
 If you fail to choose a designation or if your choice is unclear *If Living Otherwise* is assumed.

3	NAME	RELATIONSHIP	DATE OF BIRTH	SOCIAL SECURITY NO.

Please Choose **One** Designation:  *If Living Otherwise* \* OR \*  *And*  
 If you fail to choose a designation or if your choice is unclear *If Living Otherwise* is assumed.

4	NAME	RELATIONSHIP	DATE OF BIRTH	SOCIAL SECURITY NO.

If, at any time, the sole primary beneficiary that is stated is someone other than the spouse, the spouse's signature is required.

DATE	SIGNATURE OF SPOUSE
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**Every box and blank must be filled out.**

**If the applicant is married and has not listed the spouse as sole primary beneficiary, the spouse must sign giving their approval. Or put not married, widowed, etc.**



**APPLICATION FOR MEMBERSHIP**

Doesn't matter if they are already a member. They must initial every time.

1. I wish to apply for/continue membership in \_\_\_\_\_ Lodge, No. \_\_\_\_\_
2. As a member of Hermann Sons Life, I understand that membership dues are required. \_\_\_\_\_ (Member Initials) ★
3. Recommended by \_\_\_\_\_

**DISCLOSURE STATEMENT**

This disclosure statement is provided to explain how your annuity works. The Accumulation Value will equal 100% of your deposits paid less withdrawals and deductions for premium taxes, if any, with interest from date of receipt, withdrawal or deduction until annuitization. (Each subsequent deposit must be at least \$25.00.) The Cash Value is the amount you will receive if you surrender the certificate in whole or in part. The Guaranteed Rate of Interest for the Accumulation Value is 1.5% per year. The maximum amount of deposits which may be made are as follows: First Year-\$100,000, Renewal Years-\$20,000 EXCEPT for the PREFERRED FPDA. The maximum amount of deposits for the PREFERRED FPDA are as follows: First Year-\$250,000, Renewal Years-\$150,000. (See appropriate contract for further details.)

<b>5-YEAR FLEXIBLE PREMIUM DEFERRED</b> ★		<b>9-YEAR PREFERRED FLEXIBLE PREMIUM DEFERRED</b> ★			
<b>Certificate Year of Withdrawal</b>	<b>Surrender Charge as a Percent of the Accumulation Value</b>	<b>Surrender Charge Percent of Accumulation Value</b>		<b>Certificate Year of Withdrawal</b>	<b>Surrender Charge as a Percent of the Accumulation Value</b>
1	7%	<b>Withdrawal</b>	<b>Value</b>	6	4%
2	5%	1	9%	7	3%
3	3%	2	8%	8	2%
4	2%	3	7%	9	1%
5	1%	4	6%	10+	0%
6+	0%	5	5%		

Make sure you explain surrender charges and that IRS penalties may apply.

Withdrawal options without a surrender charge:

1. No partial withdrawals may be made within the first year.
2. After the first year, up to three partial withdrawals per certificate year, of at least \$100, but not to exceed 10% of the Accumulation Value at the beginning of the contract year. For the PREFERRED FPDA there will be a service fee of \$5.00 per withdrawal.
3. For the PREFERRED FPDA only, automatic, scheduled withdrawal of interest earned can be elected monthly, quarterly, semi-annually or annually. Once an election is made, it cannot be changed. There will be a service fee of \$5.00 per withdrawal.
4. For the PREFERRED FPDA only, a nursing home withdrawal option can be elected if you are continually confined for at least 180 days to a nursing home. Medical documentation required. The entire accumulation account must be withdrawn in one payment. There will be no service fee for the single check.
5. For the PREFERRED FPDA only, a terminal illness withdrawal option can be elected with medical documentation of an immediate terminal illness. The entire accumulation account must be withdrawn in one payment. There will be no service fee for the single check.

**TAX STATUS**

The applicant should consult his or her personal tax advisor regarding any tax applicable to this plan.

**BEFORE SIGNING, APPLICANT SHOULD READ THE FOLLOWING**

I, the applicant agree to abide by all Hermann Sons Life Laws, as the same are now in force and effect and as the same may hereafter be amended, passed or enacted.

I hereby certify that the statements and answers in this Application, and any supplements or amendments thereto, are made by me and are complete and true and that they are correctly and fully recorded.

I agree (1) that acceptance shall constitute ratification of the contract as written; (2) that no person other than the President and CEO or any authorized Hermann Sons Life officer can act for Hermann Sons Life to make, modify or discharge the contract or waive any of its requirements; and (3) that this application and any supplements or amendments thereto, constitute a part of the contract of the parties thereto.

I acknowledge that I have read the above Disclosure Statement, including the Tax Status statement.

★  
Signed at \_\_\_\_\_, Texas, this \_\_\_\_\_ day of \_\_\_\_\_.

Must have signatures of applicant and agent.

★  
Witnessed by \_\_\_\_\_, Agent. Applicant: X \_\_\_\_\_



# HERMANN SONS LIFE

## Needs Analysis/Best Interest

Date \_\_\_\_\_ Agent \_\_\_\_\_

### CLIENT INFORMATION

Name	Date of birth	Marital Status	Gender
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### FINANCIAL STATUS AND OBJECTIVES:

#### Approximate Annual Income:

\$50,000 or less     
  \$50,001 - \$100,000     
  \$100,001 - \$250,000     
  \$250,001 - 500,000     
  \$500,001 or above

#### Net Worth (Total assests, including this annuity minus debt):

\$50,000 or less     
  \$50,001 - \$100,000     
  \$100,001 - \$250,000     
  \$250,001 - 500,000     
  \$500,001 or above

#### What are your financial objectives in purchasing this annuity? (Check all that apply.)

Income   
  Tax Deffered Growth   
  Growth   
  Preservation of Capital   
  Pass on to heirs

Other \_\_\_\_\_

After this annuity, how much cash on hand will client have for emergencies? \_\_\_\_\_

#### What financial products do you own or have experience with?

None   
  Savings   
  CDS   
  Fixed Annuities   
  Mutual Funds   
  Variable Annuities   
  Stocks/Bonds

Other \_\_\_\_\_

#### What is/are your sources to fund this annuity?

CD   
  Annuity   
  Life Insurance   
  Checking/Savings   
  Reverse Mortgage   
  Other \_\_\_\_\_

Will this replace another annuity?  Yes     No   
 If yes, is there a surrender charge?  Yes     No

If there is a surrender charge, why is client replacing? \_\_\_\_\_

Date(s) of discussion with client \_\_\_\_\_

**All sections must be completed. Make sure to document conversations with client.**

Topics discussed/reasons annuity chosen: \_\_\_\_\_





# HERMANN SONS LIFE

## Needs Analysis

Applicant: \_\_\_\_\_ SSN: \_\_\_\_\_

### CASH NEEDS

- Funeral, medical, legal, etc.
- Pay debt, credit cards, auto loans, etc.
- Emergency fund (1/2 annual income)
- Mortgage, incl. tax, etc. - 120 months
- Child care to age 18
- Children's education
- Special needs (incl. living expenses for survivor)

**This is a state required form so it does have to be completed. It is really for your protection to get as much information as possible.**



**Look at suggested ranges on the back of this form.**


**TOTAL CASH NEEDS**

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### FUNDS AVAILABLE AT DEATH

- Hermann Sons Life insurance and annuities
- Employer group insurance
- Other insurance or investments
- Other insurance or investments
- Cash on hand
- Other income


**FUNDS AVAILABLE AT DEATH**

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**LIFE INSURANCE OR ANNUITY NEEDS**

(Cash needs minus funds available at death)

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**LIFE INSURANCE OR ANNUITY APPLIED FOR**

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( ) I HAVE READ AND UNDERSTAND THE RECOMMENDED MINIMUM LIFE INSURANCE OR ANNUITY NEEDS (AMOUNT) PROPOSED.



( ) I REJECT THE MINIMUM LIFE INSURANCE OR ANNUITY NEEDS (AMOUNT) PROPOSED.



\_\_\_\_\_  
APPLICANT/ANNUITANT/PROPOSER



\_\_\_\_\_  
DATE



\_\_\_\_\_  
AGENT/WITNESS



\_\_\_\_\_  
DATE

Ranges they can use to complete the front



**Financial Needs to Consider**

**Estimated Need Amount**

Expenses upon death of insured including funeral, medical immediate to death, probate and legal fees - immediate needs	\$15,000-\$20,000
Pay debts: credit cards, auto loans, personal loans, etc. (but not mortgage loan). Add up all smaller debts to be cleared from estate.	ACTUAL AMOUNT NEEDED
Emergency fund (new roof, air-conditioning compressor, major auto repairs, other major repairs). Set aside funds to be held for emergency	ONE HALF OF ANNUAL INCOME
Mortgage payment, including taxes and insurance OR rent cost.	ACTUAL COST FOR 120 MONTHS
Child care to age 18 - day care @ \$100/week/child, transportation, etc. (If a relative would babysit, consider how long the relative could do so and subtract those years.)	\$8,000-\$14,000 PER CHILD PER YEAR
Children's education - college or trade school, non-private. Private schools cost more.	\$20,000-\$40,000 PER YEAR PER CHILD
Special needs/normal living expenses, including food, clothing, utilities, taxes (if no mortgage), insurance premium (life, medical, property), auto including gas, maintenance, special equipment and care for physically or mentally challenge family member. Cost to live.	ACTUAL MONTHLY COST TIMES 120 MONTHS
Total cash need. The amount the survivor will need to continue his/her current lifestyle.	SUM OF THE ABOVE
Other life insurance payable on life of member including group, other companies and Hermann Sons Life	TOTAL PAYABLE TO SURVIVOR
Cash on hand, checking and savings accounts, CDs, Treasury Bonds, etc.	EASILY AVAILABLE, LIQUID ASSETS
Other income from Social Security, annuities, retirement, rental property, stocks, bonds, etc.	ACTUAL OR ESTIMATED AMOUNTS/120 MONTHS
Funds available at death are the funds available from a cash estate, other income sources or life insurance.	SUM OF THE ABOVE
Life insurance needs - the amount needed but not covered by cash estate, income and other life insurance	MINIMUM INSURANCE NEEDED

Life insurance or annuities needs analysis is based on the assumption that the prospect wants his or her survivor to keep his or her current lifestyle and not have to adjust living standards downward. In most cases the life insurance industry uses 120 months (10 years) as a standard. Individual survivors may need more or less time. Note that individual needs may be subject to change as life situations change.



It is a state requirement to notify the other company that they are possibly losing a client. With this form we send the other company that notification and it gives the other company the opportunity to try to save their client.



**MANN SONS**

Life insurance or annuity product replacements generate "yes" answers. Not any other products, such as 401k, CD, savings, mutual funds, etc.

## Replacement of Life Insurance or Annuities

This document must be signed by the applicant and the producer, if there is one, and a copy left with the applicant.

You are contemplating the purchase of a life insurance certificate or annuity contract. In some cases this purchase may involve discontinuing or changing an existing policy or contract. If so, a replacement is occurring. Financed purchases are also considered replacements.

A replacement occurs when a new certificate or contract is purchased and, in connection with the sale, you discontinue making premium payments on the existing policy or contract, or an existing policy is discontinued, terminated, or used in a financed purchase. A financed purchase occurs when the purchase of a new life insurance certificate or annuity contract is financed by the withdrawal or surrender of or by borrowing some or all of the policy values, or the existing policy or contract is used to pay all or part of any premium or payment due on the new certificate or annuity contract.

Because the new Best Interest regulations specifically address replacements, remember to have the conversations with your client about possible surrender charges or fees, etc. when they do intend to replace.

You should carefully consider whether a replacement is in your best interest. You may be able to make changes to your existing policy or contract to meet your insurance needs at less cost. A financed purchase will reduce the value of your existing policy and may reduce the amount paid upon the death of the insured.

**We want you to understand the effects of replacements before you make your purchase decision and ask that you answer the following questions and consider the questions on the back of this form.**

1. Are you considering discontinuing making premium payments, surrendering, forfeiting, assigning to the insurer, or otherwise terminating your existing policy or contract? \_\_\_\_\_ YES \_\_\_\_\_ NO
2. Are you considering using funds from your existing policies or contracts to pay premiums due on the new certificate or contract? \_\_\_\_\_ YES \_\_\_\_\_ NO

★ If you answered "yes" to either of the above questions, list each existing policy or contract you are contemplating replacing (include the name of the insurer, the insured or annuitant, and the policy or contract number if available) and whether each policy or contract will be replaced or used as a source of financing:

INSURER NAME	CONTRACT OR POLICY#	INSURED OR ANNUITANT	REPLACED (R) OR FINANCING (F)
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- 1.
- 2.

Fill out this section that gives us the name of the other insurance company.

Make sure you know the facts. Contact your existing company or its agent for information about the old policy or contract. If you request one, an in-force illustration, policy summary or available disclosure documents must be sent to you by the existing insurer. Ask for and retain all sales material used by the agent in the sales presentation. Be sure that you are making an informed decision.

The existing policy or contract is being replaced because:

I certify that the responses herein are, to the best of my knowledge, accurate:

★ **Client signature**  
\_\_\_\_\_  
Applicant's Signature and Printed Name

**Date**  
\_\_\_\_\_  
Date

Adult apps always have to be signed whether the answers are yes or no.

★ **Agent signature**  
\_\_\_\_\_  
Producer's Signature and Printed Name

**Date**  
\_\_\_\_\_  
Date

I do not want this notice read aloud to me. \_\_\_\_\_ (Applicants must initial only if they do not want the notice read aloud.)





# HERMANN SONS LIFE

## What you should know about the annuities I can sell and how I'm paid

**Read this paragraph to your client.**

I am licensed to sell annuities in Texas. But before I can recommend an annuity to you, I must tell you which types of annuities and other financial products I'm allowed to sell. I must also tell you which companies I represent and how I'm paid for the annuities I sell. Do not sign this form unless you have read and understand it.

Customer **Customer's Name**  
First Last

### Information about me

Agent **Agent's Information** Last name: \_\_\_\_\_

Business/agency name: **HSL** Website: **HSL website**

Business mailing address: **HS Life mailing address**

Business telephone number: \_\_\_\_\_

Email address: \_\_\_\_\_

National producer number in Texas: **If you are licensed, you will have an NPN#. If you are not licensed, you will not. You can find your NPN# in NIPR.com**

### What products can I sell you

If I recommend that you buy an annuity, it means I believe it effectively meets your financial <sup>Customer</sup> insurance needs, and financial objectives. Other financial products – such as life insurance or stocks, bonds, and mutual funds – also may meet your needs.

I am licensed to sell the following products in Texas:

- Fixed or fixed indexed annuities
- Variable annuities
- Life insurance

I need a separate license to give you advice about non-insurance financial products and to sell them. I am licensed and authorized to give advice about or sell the following non-insurance products:

- Mutual funds
- Stocks/bonds
- Certificates of deposits

## Whose annuities can I sell to you?

I am authorized to sell:

- Annuities from only one insurer
  - Annuities from two or more insurers
  - Annuities from two or more insurers, although I primarily sell annuities from:
- 
- 

## How am I paid for my work?

**If a customer asks how much commission you make - HSL pays flat 3% on first year deposits.**

Depending on the annuity you buy, I will be paid in one of the following ways:

- A commission, which is usually paid by the insurance company or by other sources. If I'm paid by other sources, they are:

**N/A**

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- A fee, which is usually paid by you. The fee may be a fixed amount, an hourly rate, or a percentage of your payment.

- Other: **N/A**
- 

- I may also receive non-cash compensation from the insurance company or another source. This may include health or retirement benefits, office rent and support, or other incentives.

**If you have questions about how I'll be paid for the sale of this annuity, please ask me.**

Customer

## Signatures

By signing below, you acknowledge that you have read and understand the information in this document.

**Client signature**

\_\_\_\_\_  
Your signature (person buying the annuity)

**Date**

\_\_\_\_\_  
Date

**Agent signature**

\_\_\_\_\_  
My signature (agent or producer)

**Date**

\_\_\_\_\_  
Date





## HERMANN SONS LIFE

### Sign this form if you refuse to give me information I need to advise you about buying an annuity

Do not sign this form unless you have read and understood it.

If in the future the client is unhappy with the product and they file a claim with TDI, they would have no case because they did not provide the information the agent needed.

#### Why did I give you this form?

★ **To recommend an annuity that effectively meets your needs, objectives, and situation, I need information about you, your financial situation, insurance needs, and financial objectives. If you do not provide the information, or provide inaccurate information, you could lose legal protections under the Texas Insurance Code.** ★

Signing this form means you acknowledge that you did not provide some or all of the information I need to decide if the annuity effectively meets your needs and situation.

#### Check the appropriate box below then sign and date the form:

- I refuse to provide this information at this time.
- I choose to provide only limited information at this time.
- Does not apply

You would check this box if they have given the personal information needed to the agent.

**Client signature**

\_\_\_\_\_  
Client Signature

**Date**

\_\_\_\_\_  
Date



# HERMANN SONS LIFE

## I understand that I am buying an annuity the agent did not recommend

Do not sign this form unless you have read and understood it.

### Why did I give you this form?

To recommend an annuity that effectively meets your needs, objectives, and situation, I consider your financial situation, insurance needs, and financial objectives. By signing this form, you acknowledge that you have chosen to buy an annuity that I did not recommend.

### Acknowledgement and signatures

I understand that I am buying an annuity that the agent did not recommend. I also understand that if I buy the annuity without a recommendation, I may lose legal protections under the Texas Insurance Code.

Does not apply

You would check this box if the client has made a purchase decision based on the agent's recommendations.

Client signature

\_\_\_\_\_  
Your signature (person buying the annuity)

Date

\_\_\_\_\_  
Date

Agent signature

\_\_\_\_\_  
My signature (agent or producer)

Date

\_\_\_\_\_  
Date

If they check "Does not apply" box then they must check "Yes" on Needs and Financial Objectives Form.

If they do not check "Does not apply" box then they must check "No" on Needs and Financial Objectives Form.





# HERMANN SONS LIFE

## Needs and Financial Objectives to Review Before the Purchase of an Annuity

To be completed by Hermann Sons Life Agent  
(Definition of concepts on reverse side)

1. Is the applicant **asking for a recommendation from the Hermann Sons Life Agent** regarding the investment benefits of a Hermann Sons Life Annuity?

This answer should be the same as in Form 196

- Yes - Continue to Questions 2, 3, 4 and 5.
- No - The applicant has decided on the investment choice independently. The member sign below that they do not wish information regarding how this annuity addresses their financial plans, tax status or how this product meets their overall investment objectives.

2. Does the applicant understand the withdrawal restrictions and penalties during the first five years of the contract?

3. If the applicant is filing an annual federal income tax return, is he/she aware that the gain is taxable to them or their beneficiaries **when withdrawn** from the annuity and **not as it is earned** (tax deferred vs. tax free)?

4. Is the applicant looking for a conservative investment product with safety of capital and a return that approximates a bank certificate of deposit (is the applicant risk adverse)?

5. What is the applicant's investment objective during the next five years with this annuity?

- Funds will be needed five or more years away
- Accumulation of funds to leave to beneficiaries upon applicant's death  
(If this is the goal, is a life insurance product better suited to the client's needs?)
- Other items or needs

**Agent Conclusion:** A thorough discussion of the above factors in items 2-5 indicates a Hermann Sons Life Fixed Annuity reasonably meets the applicant's financial needs.

Client signature & date

Agent signature & date

Applicant & Date

Agent & Date

\_\_\_\_\_ Check here if member does not wish to sign

Duplicate Copy Form