



HERMANN SONS LIFE

Application for Annuity & Membership

PLEASE PRINT IN BLUE OR BLACK INK ONLY

Make sure to fill out every box and blank in the proposed Annuitant section.

PROPOSED ANNUITANT INFORMATION

FULL NAME (Last, First, Middle)		DATE OF BIRTH	SOCIAL SECURITY NO.
		MM/DD/YYYY	xxx-xx-xxxx
MAILING ADDRESS	CITY	STATE	ZIP CODE
AGE	SEX	BIRTHPLACE (City and State)	HOME PHONE NO.
			(xxx)-xxx-xxxx
		BUSINESS PHONE NO.	
		(xxx)-xxx-xxxx	

Know the difference between our different annuity plans. Finding where the money is coming from will help them decide which plan to apply for. Information on each plan can be found in the Green section of your manual.

IRR ID	TYPE

★ PLAN APPLIED FOR ★	AMOUNT SUBMITTED	APPLICANT'S LODGE NO.
5-YEAR FLEXIBLE PREMIUM DEFERRED ANNUITY <input type="checkbox"/> NON-QUALIFIED <input type="checkbox"/> SEP IRA <input type="checkbox"/> TRADITIONAL IRA <input type="checkbox"/> INHERITED IRA <input type="checkbox"/> ROTH IRA	\$ Total of initial deposit and lodge dues (if applicable). NO CASH ACCEPTED	
AGENT'S NAME		AGENT NO.

BENEFICIARY DESIGNATION

Please ensure that you fill out every section for each beneficiary you have.

1	NAME	RELATIONSHIP	DATE OF BIRTH	SOCIAL SECURITY NO.
			MM/DD/YYYY	xxx-xx-xxxx

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.
			MM/DD/YYYY	xxx-xx-xxxx

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.
			MM/DD/YYYY	xxx-xx-xxxx

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.
			MM/DD/YYYY	xxx-xx-xxxx

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.

5	NAME	RELATIONSHIP	DATE OF BIRTH	SOCIAL SECURITY NO.
			MM/DD/YYYY	xxx-xx-xxxx

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

DATE

ANNAPP (Rev. 1/24)

★ SIGNATURE OF SPOUSE ★

If the applicant is married and has not listed the spouse as the sole primary beneficiary, the spouse must sign and give their approval. If the applicant is not married, then please indicate marital status, "Never married," "Widowed," "Divorced," etc.

APPLICATION FOR MEMBERSHIP

It doesn't matter if the applicant is already a member. They must initial each 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 your deposits paid with interest from date of deposit less any withdrawals. 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 maximum total annual deposits which may be made are as follows: First **Make sure to explain the surrender charges and that IRS penalties may apply.**

★ 5-YEAR FLEXIBLE ★
PREMIUM DEFERRED ANNUITY

Certificate Year of Withdrawal	Surrender Charge as a Percent of the Accumulation Value
1	7%
2	6%
3	5%
4	4%
5	3%
6+	0%

Withdrawal options without a surrender charge:

It's essential to explain the withdrawal rules clearly and confidently.

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 \$100.00, but not to exceed 10% of the Accumulation Value at the beginning of the contract year.

TAX STATUS

The applicant should consult his or her personal tax advisor regarding any tax or IRS rules and regulations 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.

The application can be signed anywhere in Texas

★ Signed at _____, Texas Date: _____

The applicant and the agent must both sign the application.

★ Witnessed by _____, Agent:★Applicant: X _____



HERMANN SONS LIFE

Needs Analysis/Best Interest

Personal and Confidential

Client Name _____ Age _____ Spouse Name _____ Age _____

Names and Ages of Children _____

Obligations	Annual Income	Client
Final Expense <i>Funeral, hospital, doctor bills, legal fees, and taxes due at time of death</i>		\$
Mortgage Cancellation <i>If I were to die today, amount needed to pay off mortgage</i>		\$
Debt Cancellation <i>If I were to die today, amount needed to pay off current debt (vehicle, credit cards, personal loans etc.)</i>		\$
College Expense <i>In the event of untimely death – amount to set aside to assist a child with college</i>		\$
Income Fund <i>Amount needed annually to continue current lifestyle.</i>		\$
	Total Obligations	\$

Please consult page two of this form for guidance on how to complete each section.

Life Insurance (HSL, etc.)	\$
Employer Insurance (Group Coverage)	\$
Retirement Accounts (401(k), IRAs, Annuities, etc.)	\$
Stocks, Bonds	\$
CDs, Savings, Checking	\$
Other Assets	\$
	Total Assets
	Total Obligations – Assets =
	\$

★ Client _____ Date _____ ★ Agent _____ Date _____

Date(s) of Annuity discussion with client _____

Topics discussed/reasons Annuity chosen: _____

It is essential to document detailed notes regarding the conversation

Especially, it is important to explain why a specific annuity was chosen. Simply listing the topic as "annuities" will not suffice.

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.



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)

**This answer
should match
the Form 196.**

1. Is the applicant **asking for a recommendation from the Hermann Sons Life Agent** regarding the investment benefits of a Hermann Sons Life Annuity?
 Yes - Continue to Questions 2, 3, 4 and 5.
 No - The applicant has decided on the investment choice independently. Have 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 sign and date

Applicant & Date

Agent sign and date

Agent & Date

Check here if member does not wish to sign

HERMANN SONS LIFE SUMMARY OF TERMS FOR ANNUITIES

Hermann Sons Life offer annuities, which are contracts between Hermann Sons Life and the applicant where Hermann Sons Life agrees to pay the applicant a fixed return over time.

Types of Annuities: An annuity can either be a qualified or a non-qualified annuity. A **non-qualified annuity** is not subject to the IRA or ROTH regulations. Also, contributions are never affected by net income. Additionally, mandatory withdrawals are never required because of your age. A **qualified annuity** is subject to the IRS regulations governing an IRA or ROTH as further explained in IRS Publication 590.

Investment Type: Hermann Sons Life offers a fixed rate annuity, which means it pays a set amount of interest for the year. This interest rate is not tied to the stock market or any other investment market.

Liquidity of an Annuity: A decreasing yearly surrender charge during the first 5 years of the contract is applicable. The surrender charge will only apply to the amount of the surrender or the total withdrawals in a certificate year to the extent that such amount exceeds 10 percent of the accumulation value at the beginning of that certificate year. After 5 years, three withdrawals of funds per year are allowed from the annuity contract unless the annuity is annuitized or a settlement option is selected.

Settlement Options: The Hermann Sons Life annuity contract gives the annuitant options to receive interest withdrawals, lump sum withdrawals, payments for life and limited installments as defined in Page 5 of the contract.

Federal Income Tax Consequences: Non-qualified annuity investment gains are taxed by the IRS when the money is withdrawn from the annuity. Also, this gain is taxed before the non-taxable principal is distributed. Untaxed earnings at the time of the annuity owner's death are taxable income to your beneficiaries over a period of time as specified in the IRS regulations. Qualified and non-qualified annuities are not eligible to be transferred or assigned to any other person.

The gain on the annuity is tax deferred until it is withdrawn from the annuity. At that time, it becomes part of your taxable income at your individual rates. Therefore, the benefits of the earning being tax deferred depends entirely on your individual tax bracket in current and future years.



HERMANN SONS LIFE

What You Should Know About The Annuities I Can Sell and How I Am Paid

Please read the following paragraph to the customer.

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

Client name: _____
First Last

Information about the agent:

Agent name: _____

Business/agency name: **HSL** Website: **www.hermannsonslife.org**

Business mailing address: **P.O. Box 1941 San Antonio, TX 78297**

Business telephone number: _____

Email address: _____

National producer number in Texas: (NPN#) **You can locate your NPN at NIRP.com**

What products is your agent licensed to sell you?

I am licensed to sell the following products in Texas:

- Fixed or fixed indexed annuities
- Variable annuities
- Life insurance
- Mutual funds
- Stocks/bonds
- Certificates of deposits

Whose annuities can your agent 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 is your agent paid for their work?

Depending on the annuity you buy, the agent may be paid in the following way:

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

If you have questions regarding how your agent will be paid for the sale of this annuity, please ask your agent.

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

Client signature Date

Agent signature Date



HERMANN SONS LIFE

The client will complete this form.

Information Needed In Order To Make An Informed Annuity Purchase

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

What is the purpose of 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 all of the information, or if you provided inaccurate information, you could lose legal protections under the Texas Insurance Code.**



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

I did not provide all information at this time.

I provided all information to make an informed Annuity purchase.

Client signature

Date



HERMANN SONS LIFE

Agent Recommendation or Independent Decision

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

What is the purpose of this form?

To recommend an annuity that effectively meets your need, objectives, and situation, I consider your financial situation, insurance needs, and financial objectives.

Acknowledgment and signatures

I understand that if I buy an annuity without an agent recommendation, I may lose legal protections under the Texas Insurance Code.

I made an independent decision to purchase this annuity.

This response should match the one given in question one of "Needs and Financial Objectives to Review Before the Purchase of an Annuity."

I considered my agent recommendation when deciding to purchase this annuity.

Client signature

Date

Agent signature

Date

It is a state requirement to notify the other company if they may be losing a client. This form serves to send that notification, giving the other company the opportunity to attempt to retain their client.



Life insurance and annuities will receive a "yes" answer. Other products like 401(k), CDs, savings accounts, mutual funds, etc., will generate a "no."



HERMANN SONS LIFE

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 or contract is surrendered, forfeited, assigned to the replacing insurer, or otherwise terminated or used in a financed purchase.

A financed purchase occurs when the purchase of a new life insurance certificate involves the use of funds obtained by the withdrawal or surrender of or by borrowing some or all of the policy values, including accumulated dividends, of an existing policy to pay all or part of any premium or payment due on the new certificate.

The new Best Interest regulations specifically address replacements, so it's essential to have a thorough discussion with your client about any potential surrender charges or fees when they consider making a replacement. This ensures they are fully informed and prepared for the decision ahead.

replacement.
You should carefully consider whether a replacement is in your best interest. You may be able to make a replacement to meet your insurance needs at less cost. A financed purchase will 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 questions above, 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)
-----------------	------------------------	-------------------------	----------------------------------

1. **Provide the name of the other company and any other required details.**
- 2.

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:

Applicant's Signature and Printed Name

Date

This document needs to be signed, regardless of whether you answer yes or no.

Producer's Signature and Printed Name

Date

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

A replacement may not be in your best interest, or your decision could be a good one. You should make a careful comparison of the costs and benefits of your existing policy or contract. One way to do this is to ask the company or agent that sold you your existing policy or contract to provide you with information concerning your existing policy or contract. This may include an illustration of how your existing policy or contract is working now and how it would perform in the future based on certain assumptions. Illustrations should not, however, be used as a sole basis to compare policies or contracts. You should discuss the following with your agent to determine whether replacement or financing your purchase makes sense:

PREMIUMS: Are they affordable?
Could they change?
You're older - are premiums higher for the proposed new policy?
How long will you have to pay premiums on the new policy? On the old policy?

POLICY VALUES: New policies usually take longer to build cash values and to pay dividends. Acquisition costs for the old policy may have been paid, you will incur costs for the new one.
What surrender charges do the policies have?
What expense and sales charges will you pay on the new policy?
Does the new policy provide more insurance coverage?

INSURABILITY: If your health has changed since you bought your old policy, the new one:
Could cost you more, or you could be turned down.
You may need a medical exam for a new policy.
Claims on most new policies for up to the first two years can be denied based on inaccurate statements.
Suicide limitations may begin anew on the new coverage.

IF YOU ARE KEEPING THE OLD POLICY AS WELL AS THE NEW POLICY:
How are premiums for both policies being paid?
How will premiums on your existing policy be affected?
Will a loan be deducted from death benefits?
What values from the old policy are being used to pay premiums?

IF YOU ARE SURRENDERING AN ANNUITY OR INTEREST-SENSITIVE LIFE PRODUCT:
Will you pay surrender charges on your old contract?
What are the interest rate guarantees for the new contract?
Have you compared the contract charges or other policy expenses?

OTHER ISSUES TO CONSIDER FOR ALL TRANSACTIONS:
What are the tax consequences of buying the new product?
Is this a tax-free exchange? (See your tax advisor.)
Is there a benefit from favorable "grandfathered" treatment of the old policy under the federal tax code?
Will the existing insurer be willing to modify the old policy?
How does the quality and financial stability of the new company compare with your existing company?