

Completing a **best interest review**

As part of your fiduciary obligation when recommending a retirement product such as a fixed annuity to your clients in the qualified space, you must comply with the “best interest” standard. To help determine a best interest recommendation, understanding your client’s needs will be important. This best interest review resource can be used with your client to help both document and determine your client’s needs.

If the client chooses the 2nd box, it is likely they are not an ideal fit for fixed annuities and should consider a different product.

Please indicate one response from the selection below that best describes your risk tolerance for this asset.

- I am not comfortable with potential loss of my principal due to market downturns, however, I would be comfortable with the ability to achieve some growth.
- I am comfortable with potential loss of my principal in an exchange for the opportunity to achieve higher growth and the potential for greater returns.

This section is another way to determine client fit. If the client chooses the third box, it’s likely they are not an ideal fit for fixed annuities.

Of the statements below, please select the one that best describes your tolerance for risk and potential returns, specifically regarding this asset:

- I wish to preserve and protect my principal from market downturns.
- I am seeking a stable, consistent rate of return over a specified duration.
- I am seeking a higher rate of return, regardless of the risk of losing my principal.

If the client has answered favorably toward fixed annuities in the previous questions, this section will help determine which fixed annuity could best fit their needs.

Which of the following personal objectives are most important to you? (please check all that apply)

- Accumulation of Asset

If you selected “Accumulation of Asset”, please mark one of the following responses indicated below:

- I am seeking returns based on a fixed interest rate and returns are not linked to an index.
- I am seeking returns linked to the performance of one or more indexes.

- Income – Access to lifetime income or guaranteed payment of income.

If you selected “Income”, please indicate the anticipated horizon for accessing income (i.e. immediately, 1 year from now): _____

- Death Benefit – Leave money to beneficiaries.

Clearly document your product recommendation and the reasons for the recommendation.

Based upon the needs defined above, the product and surrender charge duration selected is: _____

Explain why you chose the product selected:
