Annuity Suitability Form

Fixed, Immediate or Variable Annuity

Clear

This form is required to be completed and submitted with the Cape Investment Advisory new account form. Cape Investment Advisory, Inc. would like to ensure that the product you are purchasing is suitable for you with consideration of your financial status and investment objectives. With your signature, you are certifying your understanding of this annuity investment and that withdrawals may be subject to charges and taxes.

APPLICANT INFORMATION - USE DARK INK ONLY (print or type)

Owner's Name (First) (Middle) (Last) Age

Owner's Name (if owned by an entity)

Joint Owner's Name (First) (Middle) (Last) Age

Annuitant's Name (First) (Middle) (Last) Age

Joint Annuitant's Name (First) (Middle) (Last) Age

☐ Qualified ☐ Non-Qualified

If the proposed Owner is an entity, this information should be completed by the Beneficial Owner (Annuitant) and/or Joint Beneficial Owner (Joint Annuitant).

Name of Product

STEP 1 - INVESTMENT OBJECTIVES AND RESOURCES

What is the anticipated amount of premium to fund this annuity? $

Source of funds for the proposed annuity (Check all that apply):

☐ Income ☐ Checking/Savings ☐ Sale of business or property ☐ Rollover/Previous Employer

☐ Replaced Annuity Contract/Life Insurance Policy (add carrier below)

Carrier name(s): 1. 2.

☐ MF Liquidation (if checked, complete Switch Authorization Form)

☐ Inheritance

☐ Sale of Business or Property

☐ Other:

Why are you purchasing this annuity?

Excluding this transaction, has your representative sold you any other policies or annuity contract?

☐ YES ☐ NO

Do you have sufficient funds available for monthly living expenses, medical expenses and emergencies other than the funds planned for this annuity or any other annuities already owned?

☐ YES ☐ NO

Do you anticipate a significant change in your future income or expenses during the surrender charge period?

☐ YES ☐ NO

If yes, explain:

What are your primary financial objective(s) in purchasing this product? (Rank in terms of importance with 1 as most important)

☐ Transfer assets to beneficiaries	☐ Preservation of principal	☐ Safety
☐ Long-term growth	☐ Guaranteed death benefit	☐ Income now
☐ Long-term growth, followed by income	☐ Guaranteed lifetime withdrawal benefit	☐ Flexibility
☐ Liquidity	☐ Guarantees provided	☐ Other (please specify):

What other financial products do you own, or have you previously owned? (Check all the apply)

	Years of Experience		**Years of Experience**
☐ None		☐ Variable Annuities	
☐ CDs		☐ Stocks/Bonds/Mutual Funds	
☐ Fixed Annuities			

Risk Tolerance

☐ Conservative	☐ Moderate	☐ Aggressive
☐ Moderately Conservative	☐ Moderately Aggressive	☐ Other (please specify):

Time Horizon
For Account Liquidation (select one): ☐ Short (0-5 years) ☐ Intermediate (6-10 years) ☐ Long (Over 10 years)

Liquidity Needs - when is the earliest you expect to need funds from this account? (select one):

☐ Under 3 years ☐ 3-5 years ☐ 6-10 years ☐ 11-20 years ☐ Over 20 years

How do you anticipate taking distributions from this annuity?

☐ Annuitize ☐ Interest only withdrawal ☐ Lump Sum ☐ Leave to Beneficiary

☐ Required Minimum Distribution ☐ Guaranteed lifetime withdrawal benefit ☐ Immediate Income

☐ Immediate access to funds ☐ Penalty Free

STEP 2- REPLACEMENT INFORMATION

Are you considering discontinuing making premium payments, surrendering, forfeiting, assigning to the insurer, withdrawing, or using funds from any existing annuity contracts or life insurance policies to pay premiums due on the new contract or otherwise terminating any existing annuity contracts or life insurance policies? **If "Yes," a copy of an anniversary statement dated within the last 12 months from the existing contract is required.** ☐ Yes ☐ No

If "Yes," number of policies/contracts that are being replaced: ______

If one or more policies/contracts are being replaced, have any been in force for less than 3 years? ☐ Yes ☐ No

If any of the contracts have been in force for less than 3 years, what was the source of the funds for the contract(s) being replaced: ______

- **If applying for a Single Premium Immediate Annuity (SPIA), a comparison illustration with all available payout options is required from the existing carrier.**

STEP 3- SPECIAL CIRCUMSTANCES

INITIAL YOUR UNDERSTANDING OF ANY OF THE FOLLOWING ITEMS THAT PERTAIN TO THIS PURCHASE.

______ **Under 59 1/2 Years of Age -** I am under 59 1/2 years of age and understand that there may be a tax penalty for withdrawals prior to age 59 1/2

______ **70 Years of Age or Older -** I am 70 years of age or older; however, I meet the age requirements for this purchase, as disclosed in the prospectus. This long-term investment is appropriate and meets my investment time horizon.

______ **Large Purchase Amount -** My intended purchase is $100,000 or more and/or exceeds 30% of my liquid net worth. I understand this reduces the diversification in my portfolio, but I believe this purchase to be in the best interest for my situation and liquidity needs.

______ **Bonus Annuity Purchase -** I intend to purchase an annuity which credits my account with a ______% bonus. I understand that costs may be higher and/or the surrender charge period may be longer than a comparable annuity without the bonus features.

______ **Qualified Plan Purchase -** I understand that the tax deferral features of the product are unnecessary because my qualified plan itself provides this feature. I have a need for the other benefits of this product such as guaranteed income, death benefit, and other features discussed in the prospectus.

An annuity is a long-term contract with substantial penalties for early surrender and/or withdrawals. Do you understand that if you take money out of this annuity, in excess of the penalty-free surrender amount during the surrender charge period, that you will incur a surrender charge and market value adjustment (also referred to as an interest adjustment in some annuity contracts/endorsements) – if applicable? Yes ☐ ☐ No

Step 4 - FINANCIAL INFORMATION

- **PLEASE COMPLETE ALL FIELDS.**
- **ENTER "N/A" WHEN THE QUESTION IS NOT APPLICABLE AND "$0" WHEN THE DOLLAR VALUE IS ZERO.**

	PROPOSED OWNER'S FINANCIAL INFORMATION	**PROPOSED JOINT OWNER'S FINANCIAL INFORMATION** ☐ **Joint Owner's Information is included in Owner's Information.**
Marital Status	☐Single ☐Married ☐Widowed ☐Divorced	☐Single ☐Married ☐Widowed ☐Divorced
Employment Status	☐Employed ☐Self-employed ☐Unemployed ☐Retired	☐Employed ☐Self-employed ☐Unemployed ☐Retired
Occupation		
Source(s) of Annual Income (check all that apply)	☐Salary ☐Investments ☐Retirement Plan ☐Spouse's Income ☐Social Security ☐Other:	☐Salary ☐Investments ☐Retirement Plan ☐Spouse's Income ☐Social Security ☐Other:
Federal/State Income Tax Bracket	☐10% ☐12% ☐22% ☐24% ☐32% ☐35% ☐37%	☐10% ☐12% ☐22% ☐24% ☐32% ☐35% ☐37%
How do you rate your investment knowledge?	☐Limited ☐Good ☐Extensive ☐I am a Financial Professional	☐Limited ☐Good ☐Extensive ☐I am a Financial Professional
Annual Income (from all sources)	$	$
Annual Living Expenses	$	$
Assets and Liabilities (Do not include assets being used to fund this contract and exclude primary residence, personal possession, cars, etc.)		
1. Cash Equivalents (checking/savings)	$	$
2. Fixed and Fixed Indexed Annuities out of Surrender Charge or Tax Penalty Period	$	$
3. Variable Annuities out of Surrender Charge or Tax Penalty Period	$	$
4. Marketable Securities without penalties or fees to surrender (i.e., Mutual Funds, Stocks, Bonds)	$	$
5. Pension/401(k) (only if OVER 59 ½)	$	$
Liquid Net Worth (Sum of 1-5)	$	$

Step 4 - FINANCIAL INFORMATION CONTINUED	PROPOSED OWNER'S FINANCIAL INFORMATION	PROPOSED JOINT OWNER'S FINANCIAL INFORMATION ☐ Joint Owner's Information is included in Owner's Information.
6. Fixed and Fixed Indexed Annuities in Surrender Charge or Tax Penalty Period	$	$
7. Variable Annuities in Surrender Charge or Tax Penalty Period	$	$
8. Marketable Securities with penalties or fees to surrender	$	$
9. Life Insurance (Cash Value)	$	$
10. Pension/401(k) (If UNDER 59 ½)	$	$
11. Other (Do not include primary residence)	$	$
Total Non-liquid Assets (Sum of 6-11)	$	$
12. Liabilities (List each liability with a remaining balance of greater than $25,000. Excluding primary Home Mortgage.)	1. Description Remaining Balance $ Remaining Duration mos. 2.Description Remaining Balance $ Remaining Duration mos. 3. Description Remaining Balance $ Remaining Duration mos. 4.Description Remaining Balance $ Remaining Duration mos.	1.Description Remaining Balance $ Remaining Duration mos. 2. Description Remaining Balance $ Remaining Duration mos. 3.Description Remaining Balance $ Remaining Duration mos. 4. Description Remaining Balance $ Remaining Duration mos.
Total Liabilities (Sum of liabilities' remaining balances)	$	$
Total Net Worth (Sum of liquid net worth and total non-liquid assets, minus liabilities)	$	$

This Purchase as % of Net Worth _______________%

Step 5 - CONTRACT COMPARISON	PROPOSED ANNUITY CONTRACT	EXISTING POLICY/CONTRACT
	The below information is required to be provided for ALL replacement and non-replacement applicants.	**If REPLACING: the below information is required to be provided for ALL life insurance or annuity contracts being replaced.** **If NOT REPLACING: this column is not required.**
Owner(s):		
Insurer:		
Policy/Contract Number	**N/A**	
Policy/Contract Type:	☐ Fixed ☐ Variable ☐ Immediate	☐ Fixed ☐ Fixed Index ☐ UL/VUL ☐ Variable ☐ Immediate ☐ Whole Life
Policy/Contract Issue Date (mm/dd/yyyy)	**N/A**	
Surrender Charge (of current transaction)	**N/A**	☐ Yes ☐ No If Yes, Percent: ____ %
New Annuity Funded by Replacement?	☐ Yes ☐ No	☐ Ful ☐ Partial If partial, does amount exceed free withdrawal amount? ☐ Yes ☐ No
Length of Surrender Period (from inception)	____ Years	____ Years
Surrender Schedule (list the contract's full surrender schedule from contract inception)	1st Yr ___% 2nd Yr ___% 3rd Yr ___% 4th Yr ___% 5th Yr ___% 6th Yr ___% 7th Yr ___% 8th Yr ___% 9th Yr ___% 10th Yr ___% 11th Yr ___% 12th Yr ___%	1stYr ___% 2ndYr ___% 3rdYr ___% 4thYr ___% 5thYr ___% 6th Yr ___% 7th Yr ___% 8th Yr ___% 9th Yr ___% 10th Yr ___% 11thYr ___% 12thYr ___% 13thYr ___% 14thYr ___% 15thYr ___%
Guaranteed Minimum Income Benefit (GMIB)	Benefit Name: ____ Benefit Fee: $ ____ Value of Benefit Base: $ ____ Annual Income Amount: $ ____	Benefit Name: ____ Benefit Fee: $ ____ Value of Benefit Base: $ ____ Annual Income Amount: $ ____

Step 5 - CONTRACT COMPARISON CONTINUED	PROPOSED ANNUITY CONTRACT	EXISTING POLICY/CONTRACT
	The below information is required to be provided for ALL replacement and non-replacement applicants.	If REPLACING: the below information is required to be provided for ALL life insurance or annuity contracts being replaced.
Guaranteed Minimum Withdrawal Benefit (GMWB)	Benefit Name: Benefit Fee: $ Value of Benefit Base: $ Guaranteed Withdrawal Amount: $	Benefit Name: Benefit Fee: $ Value of Benefit Base: $ Guaranteed Withdrawal Amount: $
Guaranteed Death Benefit (GDB)	Benefit Name: Benefit Fee: $ Value of Benefit: $	Benefit Name: Benefit Fee: $ Value of Benefit: $
Annual Minimum Guaranteed Interest Rate	☐ Yes ☐ No If Yes, Percent: ____ %	☐ Yes ☐ No If Yes, Percent: ____ %
Investment Advisory Fee or Commission %	☐ % Advisory Fee ☐ % Commission	☐ % Advisory Fee (if applicable)
Mortality and Expense Risk and Administration Charges/Core Contract Charge	☐ % M&E ☐ % Administration	☐ % M&E ☐ % Administration
Free Withdrawals Available?	☐ Yes ☐ No If Yes, Annual Allowance: ______% ☐ Immediately Year ____	☐ Yes ☐ No If Yes, Annual Allowance:_____%
Market Value Adjustment Amount	☐ Yes ☐ No If Yes, Amount: ☐+ ☐- $ ____	☐ Yes ☐ No If Yes, Amount: ☐+ ☐- $ ____
Initial Bonus	☐ Yes ☐ No If Yes, Amount: $ ____ or ____ %	☐ Yes ☐ No If Yes, Amount: $ ____ or ____ %
Potential Loss of Bonus if Exchanged	N/A	☐ Yes ☐ No If Yes, Amount: $ ____
	The following fields are required for Fixed Index annuity contracts only.	
Index Participation Rate (IPR)	N/A	☐ % ☐ % ☐ % ☐ % ☐ % ☐ %

Withdrawals before age 59½ may be subject to a federal tax penalty. Please consult a tax advisor for assistance.

Step 6 - ADDITIONAL CONSIDERATIONS

The following questions are to be completed by the individual making the purchase recommendation.

1. I am recommending the purchase of this annuity to this client because he/she will benefit from this product in the following ways (list all benefits to the client):

2. The following are unfavorable consequences, policy exclusions, or restrictions as it pertains to the purchase of this contract:

3. Does the client anticipate any significant changes to his/her income, annual living expenses, liquidity needs and/or tax status during the surrender period of the proposed contract? ☐ Yes ☐ No If yes, please explain:

4. Alternative Products Considered:

5. Explain why this particular investment was chosen for the client:

6. Other information relevant to the suitability of this transaction:

☐ Additional information is attached for further review.

7. Excluding this transaction, have you exchanged or replaced any other life policy or annuity contract within the last five years? ☐ Yes ☐ No. If yes, please provide the transaction dates and corresponding company(ies):

Step 7- ACKNOWLEDGMENTS AND SIGNATURES

FINANCIAL PROFESSIONAL ACKNOWLEDGMENT

As the selling individual recommending this product, my signature below confirms that I have reviewed all of the client's information, and I believe that my recommendation to purchase this annuity is in line with the client's financial situation and investment needs, and meets the appropriate standard of care (i.e., suitability or best interest) based on the facts disclosed by said client. I also attest that I have provided the client with all pertinent information about the product, including disclosure of the risks involved, allowing the client to make an educated and informed decision about this purchase. I have provided the Applicant(s) with a completed and signed copy of this form. Based on my completion of the required general annuity, I believe this transaction is suitable and in the best interest of the client given the client's financial situation and needs.

Financial Professional Signature	Financial Professional Printed Name	Date Signed (mm/dd/yyyy)

If the proposed Owner is an entity, this information should be completed by the Beneficial Owner (Annuitant) and/or Joint Beneficial Owner (Joint Annuitant) when applicable.

APPLICANT ACKNOWLEDGMENT

By signing below, I (We) hereby represent to the best of my (our) knowledge and belief that each of the statements and answers contained on this form are true, complete and correctly recorded. I have made an informed decision to purchase this product and, if applicable, have reviewed the differences between this annuity contract and my original product. I understand that the annuity contract I am investing in is a long-term investment and may have surrender charges or other penalties for early termination or certain partial withdrawals. I understand my contract has a “free look” period during which I can terminate the contract without paying any surrender charges. I consent to the transaction(s), as well as my receipt of the product disclosures. By signing below I/we certify that, to the best of my/our knowledge and belief, the annuity meets my/our financial needs and objectives and this annuity is suitable and in my/our best interest.

Applicant Signature (include title if applicable)	Applicant Printed Name	Date Signed (mm/dd/yyyy)
Joint Applicant Signature (include title if applicable)	Joint Applicant Printed Name	Date Signed (mm/dd/yyyy)

COMPLIANCE APPROVAL

Compliance Professional Signature	Compliance Professional Printed Name	Date Signed (mm/dd/yyyy)

Explanation of Terms (Please note that all terms may not apply to all products.)

Annual Income: Current total amount of income received annually from all sources.

Annual Living Expense: An estimate of total annual living expenses (housing, utilities, food, etc.).

Annual Minimum Guaranteed Interest Rate: The lowest annual interest rate the premium in your annuity or fixed fund account will earn as provided in the contract.

Beneficial Owner: The owner of an asset that is registered in another name. Generally, the beneficial owner is the annuitant when the contract is registered to an entity owner.

Core Contract Charge: A charge that compensates the insurer for expenses associated with administration of the contracts and the Separate Account, acquisition of business expenses, risks we assume in connection with the contracts, and costs associated with providing contract benefits.

Free Withdrawal: Withdrawals that may be taken from the contract's values that are not subject to surrender or other charges and are a provision of the contract.

Index Participation Rate (IPR): The percentage applied to a positive change in an underlying index price over the initial index price of the crediting period, in the calculation of credited interest.

Interest Rate Cap(s): The maximum interest rate that may be received (usually annually) on the contract. This must be provided for each index and crediting method combination that funds will be allocated to or are currently allocated.

Investment Advisory Fee: A fee that is paid to the investment advisory firm to make investment decisions for your contract.

Liquid Net Worth: The assets that can be turned into cash without incurring a major loss in value. This should not include real estate or business equity, personal property, automobiles, expected inheritances, funds estimated to fund the proposed contract, or funds already estimated for other purposes.

Market Value Adjustment: Withdrawals taken within the contract's withdrawal charge period will be adjusted upward when interest rates are falling and downward when they are rising, to reflect changes in the interest rate environment since the purchase date of the contract. For Variable Annuities, this may also be referred to as ***Excess Interest Adjustment*** **or** ***Interest Rate Adjustment.***

Non-liquid Assets: The assets that cannot be turned into cash without incurring a major loss in value. This could include real estate or business equity, personal property, automobiles or expected inheritances. (Do not include primary residence)

Other: This could include real estate or business equity, personal property, automobiles or expected inheritances (do not include primary residence).

Product Specific Risk Tolerance: Risk tolerance specific to this application taking into consideration non-guaranteed elements, which could include variability in premium, account value, benefit value, death benefit, and fees.

Mortality and Expense Risk and Administration Charges: Charges that compensate the insurer for expenses associated with administration of the contracts and the Separate Account, and the risks assumed in connection with administering the contracts and providing certain contract benefits.

Time Horizon: The length of time over which an investment is made or held before it is liquidated or before the client begins taking regular withdrawals (via partial withdrawal, annuitization, periodic income payments, or systematic withdrawal).

Total Net Worth: Total value of all available assets, including existing investment and life insurance holdings, minus current liabilities (such as balances due on loans). Should not include the value of primary residence.

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