



FARMERS LIFE INSURANCE COMPANY

SAFEGUARD PLUS

MULTI-YEAR GUARANTEED ANNUITY

Individual Fixed Single-Premium Deferred Annuity
Product Training

PRODUCT TRAINING OVERVIEW

Safeguard Plus MYGA

Overview

Safeguard Plus MYGA Required Product Training

- In compliance with applicable state suitability regulations, Farmers Life Insurance Company requires all producers to complete product-specific training prior to offering the Safeguard Plus multi-year guaranteed annuity (MYGA) for sale.
- You are required to review and complete the entire training module.
- This training module is for registered representative/producer use only and should not be used in the sales context.

Key Objectives

This training is intended to help you answer critical questions, including:

- Who would best be advantaged by a Safeguard Plus Multi-Year Guaranteed Annuity?
- What are the key features of the Safeguard Plus Multi-Year Guaranteed Annuity series?
- What are the choices of multi-year guaranteed interest rate periods? What are the flexible renewal options for your clients?
- What is a market value adjustment and how does it work? Is there an advantage of having an MVA feature?

Key Objectives (cont.)

- Will clients have access to funds without surrender charges? If so, for which instances?
- What payment options are available at maturity?
- What is paid upon death of the owner?
- What should you keep in mind in support of Farmers' commitment to the important issue of suitability?
- What are some of the product-specific business guidelines you should know?



CLIENT PROFILE

Client Profile

A Safeguard Plus MYGA may be right for:

- Clients who wish to:
 - Save money for retirement and receive retirement income for life.
 - Optimize asset growth potential.
 - Protect assets from market downturns.
 - Don't expect to need access to funds in the near term.
- Clients who are looking for:
 - A choice of plans to meet financial time horizons.
 - Affordable minimum premium requirements.
 - Competitive interest rates.
- Clients who are an eligible age.



INTRODUCTION TO PRODUCT FEATURES

General Product Information

The Safeguard Plus Multi-Year Guaranteed Annuity (MYGA) is an Individual Fixed Single-Premium Deferred Annuity.

Safeguard Plus Multi-Year Guaranteed Annuity (MYGA)				
Free Look Period	30 days			
Minimum Purchase Payment	\$10,000 for both Qualified and Nonqualified Contracts			
Maximum Purchase Payment (without Home Office approval)	\$1,000,000			
Initial Guaranteed Periods	3 years	5 years	7 years	10 years
Maximum Issue Age	3- and 5-year: Age 95		7- and 10-year: Age 90	
Minimum Guaranteed Interest Rate	1.00%			

Surrender Charge Schedule

3-year	9%, 8%, 7%
5-year	9%, 8%, 7%, 6%, 5%
7-year	9%, 8%, 7%, 6%, 5%, 4%, 3%
10-year	9%, 8%, 7%, 6%, 5%, 4%, 3%, 2.5%, 1.5%, 0.9%

Key Features

- Principal and earnings are not subject to income taxes until withdrawn or distributed*
- Flexible renewal choice
- Includes a Market Value Adjustment (MVA) feature
- Several ways to access funds without incurring a Surrender Charge or MVA
- Death benefits payable in the event of the Owner's death
- Choice of annuity benefit payment options

*Under current tax law, a 10% IRS early-withdrawal penalty may apply to withdrawals or distributions prior to age 59½.



MAIN PRODUCT FEATURES

Renewal Options

There are no Surrender Charges or MVAs during the first 30 days after the end of a Multi-Year Guaranteed Interest Rate Period. During those 30 days, the Owner may choose one of the following renewal options:

- Renew the contract to a subsequent Multi-Year Guaranteed Interest Rate Period, including a subsequent Surrender Charge Period and MVA Period.
- Make a partial surrender without a Surrender Charge or MVA and apply the remaining annuity funds to a subsequent Multi-Year Guaranteed Interest Rate Period, including a subsequent Surrender Charge Period and MVA Period.

Renewal Options (cont.)

- Begin payment of the annuity funds under a Payment Option, without a Surrender Charge or MVA.
- Surrender the contract without a Surrender Charge or MVA.
- Renew the contract to a one-year interest rate guarantee period during which Surrender Charges and MVAs do not apply. The one-year interest rate guarantee period will automatically renew each year thereafter unless the Owner surrenders or annuitizes the contract.

Market Value Adjustment

- Products with an MVA feature generally have a higher interest rate than like products without an MVA feature
- MVA Period runs concurrently with the Surrender Charge Period
- May increase or decrease benefits payable under the contract
- Based on the performance of an MVA index
 - Generally, if interest rates rise after the beginning of a Multi-Year Interest Rate Guarantee Period, the MVA will decrease benefits.
 - Conversely, if interest rates fall, the MVA will increase benefits.
- Will not reduce benefits below the Guaranteed Minimum Cash Surrender Value
- Waived on the amount of benefits for which Surrender Charges are waived

Access to Annuity Funds

Provides a number of ways to access funds without incurring a Surrender Charge or MVA:

- **Annuitization**
- **During the first 30 days after the end of a Multi-Year Interest Rate Guarantee Period**
- **Enhanced Benefit Rider** – Available as an optional feature at the time of application. The crediting rate is reduced when this rider is elected.
 - **Terminal Illness** – Illness or physical condition that is reasonably expected to result in the Owner's death within 12 months, and such terminal illness is diagnosed after the contract effective date.
 - **Qualified Nursing Care** – At least 30 consecutive days confined in a qualified nursing care facility, and such confinement begins after the contract effective date.

Access to Annuity Funds (cont.)

- **Free Withdrawal Rider** – Available as an optional feature at the time of application. The crediting rate is reduced when this rider is elected.
 - 5.00% of the contract accumulation value for the first withdrawal in each contract year. Note: If the requested withdrawal exceeds the 5% limit, the full withdrawal will be subject to a Surrender Charge and an MVA.
- **Interest earned during the contract year of the Owner's withdrawal request.**
 - This feature does not apply if the Owner has chosen the Free Withdrawal Rider.

Note: Withdrawals must be at least \$100; at least \$2,000 must remain in the contract to remain in-force. A 10% IRS penalty may apply to withdrawals taken before age 59½.

Annuity Benefits

- Contract may be annuitized at any time
- Automatic annuitization at the Maturity Date
 - Maturity Date – The Contract Anniversary coinciding with or next following the Annuitant's 100th birthday.
- Choice of flexible payment options
 - Life Income – A guaranteed income for as long as the Annuitant lives.
 - Period Certain – A guaranteed income for a chosen time period (e.g., 5, 10, 15 or 20 years).
 - Life Income with Period Certain – A guaranteed income for the minimum chosen time period (e.g., 5, 10, 15 or 20 years). If the Annuitant is still living at the end of that time period, payments continue as long as the Annuitant lives.

Note: *The contract may not be surrendered once annuity benefit payments have begun.*

Death Benefits

- Paid to the designated beneficiary if the Owner dies before the Maturity Date.
 - If there are Joint Owners, the surviving Joint Owner is automatically the designated beneficiary of the deceased Joint Owner.
- Death benefit amount is equal to the contract Accumulation Value.
- Must either: (a) be entirely paid within 5 years of the date of death; or (b) begin within one year of the date of death under a payment option and may not extend beyond the beneficiary's life expectancy.

Exception: If the deceased Owner's surviving beneficiary is the deceased Owner's spouse as recognized under federal law, the spouse does not need to have death benefits paid. Rather, the spouse may continue the contract as though the spouse were the original contract owner.



SUITABILITY

Suitability Guidelines

Farmers Life Insurance Company takes financial suitability very seriously. It is the Company's responsibility to make sure that every sales recommendation is suitable. We do this by reviewing the clients' financial objectives, financial needs and financial status.

We consider these factors:

- Age
- Financial experience
- Financial objectives
- Intended use of annuity
- Financial time horizon
- Risk tolerance
- Retirement plans
- Current and expected income
- Current and expected financial status, including resources to fund the annuity
- Current and expected liquidity needs
- Liquid net worth
- Current and expected tax status
- Existing assets

Suitability Guidelines (cont.)

Process

- The producer completes the Suitability Analysis form with the client and provides the completed and signed form with the application.
- We first check whether or not the producer has completed the required training.
- We then review the client's financial suitability, including any replacement activity.
- We may accept, reject or request a modification based on our review. We may ask for additional information in order to get a full picture of the client's financial status.

Suitability Guidelines (cont.)

Causes for Rejection

- Client refusal to provide financial information requested on the suitability form.
- Incomplete or unsigned suitability form.
- A replacement or surrender within the last 36 months and the same producer sold the original contract.
- A producer has not completed the required training.
- The funds to purchase the annuity come from a reverse mortgage or home equity loan.
- The annuity purchase will leave the client unprepared to meet future emergency events.

Suitability Guidelines (cont.)

Producer Responsibilities

- Give as much detail as you can on the Suitability Analysis form to help us see your client's full financial picture.
- Provide your client with sufficient information so they can make an informed decision.
- Understand your client's short- and long-term goals.
- Understand your client's stage in life. What are their liquidity needs?

Suitability Guidelines (cont.)

Producer Responsibilities (cont.)

- If your client purchases an annuity through replacement of another annuity or life insurance, consider the potential loss of benefits or the addition of new penalties, including a new surrender charge period or lower minimum guaranteed interest rate.
- Ask yourself if the purchase is in the client's best interest.
- Submit a completed and signed Suitability Analysis form with the application.
- Leave advertising and marketing materials used in your sales presentation with your client.



HOUSEKEEPING

New Business Information

The following completed and signed documents must be provided with the application:

- Suitability Analysis form
- Safeguard Plus Multi-Year Guaranteed Annuity Disclosure
- Replacement form, as required by the state in which the contract is to be delivered
- Any other form required by state law or regulation (e.g., Best Interest disclosure form)

New Business Information (cont.)


To secure the interest rate in effect as of the date of the application:

- The application must be received within 15 calendar days of the signature date.
- The premium must be paid: (a) within 15 calendar days of the signature date for cash-with-app payments; or (b) within 60 calendar days of the signature date for transfers and rollover payments.

The Contract Effective Date is the date premium is received in the Company's home office.

Acknowledgment of Completion

Training Assessment


FARMERS LIFE INSURANCE COMPANY

Safeguard Plus Annuity Training Assessment

State Suitability rules require insurance brokers and producers appointed by Farmers Life Insurance Company to demonstrate a thorough and adequate knowledge of its annuity products to support your efforts in determining the suitability of a given annuity for your customers. The following questions will aid you in strengthening your knowledge and understanding of the Safeguard Plus Annuity.

Broker/Producer name (as shown on your state insurance license) _____
Broker/Producer state (two-letter abbreviation)

Broker/Producer email address _____
Broker/Producer telephone number (e.g. 777-777-7777)

1. The Safeguard Plus Annuity product line is which type of annuity? Check all that apply

- A. Flexible premium deferred annuity
- B. Indexed single premium deferred annuity
- C. Single premium deferred annuity
- D. Fixed premium variable annuity

2. The Safeguard Plus Annuity 5 has a ____-year interest rate guarantee period and a ____-year surrender charge period.

- A. one/five
- B. five/ten
- C. five/five
- D. seven/seven

3. The Safeguard Plus Annuity product line has a repeating interest rate guarantee period and a repeating surrender charge period.

- A. True
- B. False

4. The Safeguard Plus Annuity product line includes a 30-day window at the beginning of each subsequent surrender charge period during which the Owner may do the following. Check all that apply

- A. Continue the Contract and apply the annuity fund to the subsequent multi-year interest rate guarantee period.
- B. Make a partial surrender without a surrender charge or market value adjustment and apply the remaining annuity funds to the subsequent multi-year interest rate guarantee period.
- C. Begin payment of the annuity funds under a contract payment option.
- D. Continue the Contract and apply the annuity funds to a one-year interest rate guarantee period with no surrender charges or market value adjustment which automatically renews each year.

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