

## Thursday TIP **ALIL Forms**

The top of the ALIL form reads “This disclosure is required for any full surrender of a variable annuity or variable life policy and for certain partial surrenders of existing contracts”. To date, Mike has been entering notes in the trade monitor system for certain surrenders. However, it was brought to our attention yesterday that there is a change in procedures relating to the Annuity/Life Insurance Liquidation Form (ALIL). We will need this form for all liquidations except when the liquidation is to process a death claim.

Please review the various scenarios below to verify signature requirements on the form.

A client calls and says they need to liquidate their annuity because they have an emergency need for their funds and there is no alternative recommendation for you to make....complete the ALIL and client and rep will both sign.

A client calls and says they need a partial liquidation of their annuity because they have an emergency need for \$25,000...complete the ALIL and client and rep will both sign.

A client moves their business to a new rep and that rep initiates the total liquidation of client’s annuity....complete the ALIL including the information that they are no longer your client and rep will sign.

During a review with your client you recommend they liquidate their annuity/life insurance product to move into a product with greater liquidity....complete the ALIL and client and rep will both sign.

The following scenarios do not need an ALIL form –

During a review with your client you recommend liquidation of current variable annuity or equity index annuity to fund purchase of an alternate annuity or life insurance product...you do not need to complete the ALIL because the surrender information will be captured on the relevant purchase acknowledgement form (VAPA, EAPA, FAPA).

A client calls to request a partial liquidation of their annuity because they have a need for funds less than \$25,000.

Client has systematic sell instructions for less than \$25,000 annually from an annuity that is in the distribution cycle...this information can be entered via the notes section of the Trade Monitor.