

Conducting Business Under DOL Checklist

Develop a process that you follow in the interaction with your clients:

Fact Finder Process

- Completing a detailed fact finder is crucial to recommending the right product. Within the fact finder, you will document information on your client's current assets, goals, risk tolerance, and financial profile.

Documentation of Recommendations

- It is important that you document the process and write down what you discussed with the client that lead to that certain recommendation.
- Examples:
 - "In our discussion, the client expressed a desire for high guaranteed income. The product recommended was the highest available income given the client's profile."
 - "Client did not like the financial rating of Company A even though they had the highest income payouts possible. For this reason, Company B was suggested."

Comparison of Existing Product to Recommended Product

- Things to Compare:
 - Surrender value, death benefit value, and income benefit value.
 - Product features, including surrender charges, base contract fees, and rider fees.
 - Product specifications such as crediting rate strategy, index choice, and withdrawal options.
 - Carrier ratings and financial strength

Follow the Prudent Man Rule

- Under the Prudent Man Rule, the fiduciary is required to invest the client's assets as a "prudent man" would invest his own property and assets by performing enough due diligence to ensure that the company meets the investment needs of the investor.

PTE 84-24 Disclosure Form

- In order to comply with PTE 84-24, you must obtain signatures on a disclosure form for any business dealing with funds from an IRA or qualified retirement plan. This form should be reviewed carefully and signed by both the producer and client at time of application. One copy should be kept in your personal files and another should be left with the client. At no time should this form be submitted to the insurance carrier.

WHEN IN DOUBT, DOCUMENT!