

GUGGENHEIN

Business Guidelines

Guggenheim Life and Annuity Company

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To our valued agents...

As a representative of Guggenheim Life and Annuity Company (the “Company” or “Guggenheim”), it is important that you understand our Company’s guidelines on market conduct. This guide is designed to give you an overview of those guidelines. Agents, and the companies they represent, are held by the public and insurance regulators to a very high standard. The use of the term “agent” in these guidelines includes “registered representatives”.

Please read this guide in its entirety. **By accepting appointment with our Company, you are agreeing to be bound by the provisions of the guidelines which have been adopted by our Company.** If you should have any questions about any of the material included in this guide, please feel free to call the Compliance Department at (800) 767-7749.

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IMPORTANT: These guidelines contain important information on policies and programs that affect how you do business with our Company. Please review all content carefully and completely.

1. OUR MARKETING PHILOSOPHY

Guggenheim Life and Annuity Company values its relationships with agents and clients. We believe the financial strength, reputation, culture, and tradition of our Company will attract a high-quality sales force that will develop long-term relationships of trust with our Company. Furthermore, we are committed to developing strong relationships of trust with our clients for whom we expect all transactions to be conducted honestly and ethically.

Therefore, all appointed agents are expected to exemplify the highest standards of ethical and professional conduct and maintain a record free from compliance and market conduct issues.

In accordance with these guidelines and consistent with your contractual obligations (please refer to your Agent Contract) to do business in conformity with the rules and regulations of the Company, the following standards have been set:

- All agents must comply with all written rules, procedures, and policies of the Company.
- Any action or conduct that constitutes fraud, or suspected fraud, or violates any applicable laws or regulations also constitutes a violation of the rules of the Company.
- The Company does not permit any misrepresentation or modification of any of the benefits, rates, or conditions of policies or contracts of the Company in any respect.
- The Company does not permit any withholding, misappropriation, conversion or co-mingling of funds.
- Use of the Guggenheim Life and Annuity Company name, the word Guggenheim, the name of any Guggenheim affiliate or product specifics in any advertisement requires prior approval by the Company.
- Use of the Guggenheim Life and Annuity Company name, the word Guggenheim, the name of any Guggenheim affiliate or any logo connected with a Guggenheim company is prohibited on business cards, signage, voice mail or other means of identification.

To maintain the high standards of the Company, you are required to notify an officer of the Company if you become aware of conduct by other agents or representatives of the Company that violates any Company policy.

Any behavior deemed unacceptable by the Company may result in contract termination. The Company is committed to aggressive investigation of any conduct that violates its policies. Proper market conduct is an important component in our continued successful operation. Violation of these standards will not be tolerated and could also result in personal liability and loss of license.

2. ADVERTISING

What is Advertising?

Material designed to create public interest in life insurance or annuities, or in an insurer, or in an insurance producer; **even though a specific product or company is not mentioned**; or to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace, or retain a contract, is considered advertising.

Advertising includes printed, published, or audio visual materials, including brochures, letters, videos, advertisements, or articles, distributed in any medium, including newspapers, magazines, billboards, mail, direct sales presentations, Internet, business cards, or stationary.

Advertising does not include communications or materials used within an insurer's own organization which are not intended for dissemination to the public. Advertising does not include individualized communications with clients which do not fit the description above.

Advertising Applicability

These rules shall apply to any annuity or life insurance advertisement intended for dissemination to the public. All advertisements (including agent advertising) that include the Guggenheim Life and Annuity Company name, the word Guggenheim, the name of any Guggenheim affiliate or refers to Company products must be reviewed and approved by the Company prior to use. Agents and

marketing organizations must review, at least once a year, the Advertising Approval Guidelines stated below and available on the Agent Website. These rules apply to the use of social media sites such as Facebook, Twitter and LinkedIn to solicit or induce a person to purchase or inquire about a life insurance or annuity product.

Advertising Approval Guidelines: Form and Content Rules

Advertisements shall be truthful and not misleading in fact or by implication. They should be sufficiently complete, balanced, and clear so as to avoid deception. Advertisements must include limitations or negative features if positive features are discussed. Insurance terms identifying the extent or nature of the contract must be defined, if not broadly known by the buying public.

All statistics shall be recent and relevant. Source of statistics must be disclosed.

Non-guaranteed elements must be based on insurer's current scale and must contain a statement that they are not guaranteed. (Examples: "Current Company practice" or "Subject to change"). Non-contractual features may not be advertised in some states.

If non-guaranteed elements are illustrated, guaranteed elements must be illustrated in equal prominence.

Use of the following terms is prohibited: "CD Annuity", "certificate of annuity", "deposit", "savings", "savings account", "contributions", "investment", "profit", "profit sharing", "plan", "investment plan", "founder's plan", "charter plan", "expansion plan", "interest plan", "savings plan", "investment department", "insured investment department", "approved by the Insurance Department", "savings annuity plan", "securities annuity plan", "tax savers plan", "units of participation", or any similar terms.

Use of unsubstantiated terms is prohibited, unless supported, such as: "best", "full", "all", "highest", "most", "largest", "free", "safest", "no cost", "without cost", "no additional cost", "no extra cost", "risk free", "guaranteed safe", "no red tape", "special", "limited", "vanishing", or "vanishing premium".

Premium must always be referred to as "premium".

May not refer to "savings" in reference to cash value.

Terms such as: "No load" and "no sales charge" - must also reference surrender charges.

No person shall advertise capital or assets of the insurer without setting forth the amount of liabilities in same advertisement. (Can use assets under management alone.)

Must not state that purchaser will share in percentage or portion of insurer's general account.

Generic features must not be listed as special or particular to the contract; and must be identified as features generic to all such contracts of that type.

Limitations should not be worded positively to imply a benefit and must be clearly defined.

Material may not compare contracts or policies, benefits or marketing methods of other insurers. Also, material may not disparage other insurers, producers, services or methods of marketing.

Materials may not make comparison with other investment vehicles (SEC controlled).

Advertising Approval Guidelines: Identity of Insurer, Product and Agent in Advertising

Full legal names of insurers must be used when specific products are advertised. The first reference must use the full company name. Additional references thereafter may use a shortened version.

If the advertising piece references or describes Guggenheim Life and Annuity Company products or services, it must be approved by the Company prior to use and the following guidelines apply:

The agent's or agency's name and their address and/or phone number must appear, if agent or agency is the one advertising.

The name of insurer must be clearly identified.

(Example: Contract issued by Guggenheim Life and Annuity Company, 10689 North Pennsylvania Street, Suite 200, Indianapolis, Indiana 46280-1087 on Form Series GLA.)

This is how to use our company names:

First Reference or Most Prominent Reference:

- Guggenheim Life and Annuity Company

All California References:

- Guggenheim Life and Annuity Insurance Company

All Other References:

- Guggenheim Life

Reputation of the parent or subsidiary may not be used in conjunction with the issuing company.

May not in any way imply that a company other than the insurer has any responsibility for the financial obligations under the contract.

May not in any way imply that the insurer is affiliated with any governmental program or agency, through text or graphics (name, service mark, slogan, symbol, or any device).

Non-licensed distributors must not be mentioned and should not appear in advertising.

Must not mention State Insurance Guaranty Association in advertising.

A product name used in marketing must not give the impression of being a company or organization.

Must prominently describe the type of insurance advertised; (example: single premium deferred annuity), at the front or beginning of material.

Must use complete marketing name of product.

If the advertisement is intended for use as an email, the email heading must follow all advertising guidelines.

Insurance producers may use terms: "insurance agent", "insurance specialist", and "insurance professional".

Insurance producers may not use the following terms unless the producer holds a certification from the state and is actually compensated for such services: "Financial Planner", "Financial Consultant", "Financial Counselor", "Investment Advisor", "Retirement Planner", "Pension Specialist", "Retirement Specialist", and "Mortgage Specialist".

With use of any of these titles, proof of certification is required to be submitted to the Company along with the submission for approval for use. Additionally, several states have disclosure rules when an insurance producer is compensated by a consumer in addition to or in lieu of a commission. Compliance with any compensation disclosure requirements will be the responsibility of the insurance producer.

No "Mortgage Protection" programs or use of the term "in event of disability."

No advertisement should use the "effective annual yield" as this is a securities term that may be confusing to clients.

Advertising Approval Guidelines: Advertising Procedures

All advertising must comply with the regulations of the state in which the advertising is used. For this reason, your agent contract specifies that all advertising that references the Company's products or services be approved by the Company prior to use. The use of an advertisement without the Company's prior approval can lead to termination of your agent contract. Advertisements submitted to the Company will be reviewed within three (3) business days. Some states require advertisements be filed with its department of insurance before being used in the state. If an advertisement is approved, the Company will notify you of any limitations on when the advertisement may first be used.

All client and agent recruiting materials not produced by the Company must be approved prior to publication or use.

Proposed advertisements must be submitted to the Company by an email addressed to the Vice President of Marketing, whose email address is available on the Company website, or a fax to the Marketing Division at (317) 574-6278 or by mail addressed to Guggenheim Life and Annuity Company, ATTN: Marketing Division, 10689 North Pennsylvania Street, Suite 200, Indianapolis, Indiana 46280-1087. The submission must include the following information:

- Agent/Contact Name;
- Agency/Marketing Organization;
- Telephone number;
- Name of Publication/Medium;
- Quantity of Distribution;
- Audience type;
- States where advertisement will appear;
- Date of Distribution; and
- Final Approval Deadline.

The Company will review your proposed advertisement, recommend any state specific changes, and will assign an advertisement tracking number.

If you have any questions regarding these guidelines or any other questions, call our toll-free number: (800) 767-7749.

Advertising Approval Guidelines: Additional Requirements of Certain States

See Appendix B – Minnesota - Marketing and Solicitation Statute.

See Appendix C – California – Marketing and Advertising Requirements.

3. POSITION ON REPLACEMENT

The Company recognizes that in certain instances, replacements are necessary or advantageous to policy or contract owners. However, unnecessary replacements may lead to complaints, regulatory action and litigation. Replacement activity should be considered only if the transaction is in the client's long-term best interest. In order to determine whether replacement involving a Company policy or contract is in the client's best interest, the agent is expected to:

- Comply with applicable state and federal statutes and Company procedures;
- Apply the Company's definition of replacement;
- Analyze each replacement to determine if it is appropriate for the client;
- Provide the information necessary for the client to make an informed decision;
- Disclose on the application or in other written form whether replacement is involved; and
- Comply with the Business Guidelines.

The following is the Company's definition of replacement. This definition applies to individual life policies and annuity contracts – both general account and variable account, internal and external replacements.

Definition of Replacement

Replacement means any transaction in which new life insurance or a new annuity is to be purchased, and that by reason of such transaction, existing life insurance or an existing annuity has been or is to be:

- Forfeited, surrendered or partially surrendered, assigned to the replacing insurer or otherwise terminated;
- Amended so as to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid; or
- Reissued with any reduction in cash value.

This definition does **not apply** to transactions involving:

- Application to the existing insurer
 - when a contractual change or conversion is being exercised, or
 - when the existing policy or contract is being replaced by the same insurer pursuant to a filed and approved program;
- Immediate annuities that are purchased with proceeds from an existing annuity contract. (**NOTE:** Immediate annuities purchased with proceeds of an existing life insurance policy are considered replacements);
- Structured settlement annuities;
- New coverage provided under a life insurance policy or annuity contract where the cost is borne wholly by the insured's employer or by an association of which the insured is a member; or
- Annuity contracts used to fund ERISA pension or welfare benefit plans; employer established or maintained 401(a), 401(k) or 403(b) plans; government or church 414 plans; or government or tax exempt 457 plans are normally exempt unless plan participants may choose from two or more providers and there is direct solicitation of individual employees. (There are exceptions to this rule, please contact the Company for specific information.)

For applicants who are residents of California and who are age 65 and older, the state of California defines "unnecessary replacement" as

- the sale of an annuity to replace an existing annuity;
- that requires that the owner pay a surrender charge for the annuity being replaced; and
- that does not confer a "substantial benefit" over the life of the contract to the purchaser;
- so that "a reasonable person would believe that the purchase is unnecessary".

Some states may require an agent replacing a variable product to be a registered representative. Please be sure to familiarize yourself with your state's specific regulations and laws.

Replacement Review

Replacement of existing life insurance or an annuity may or may not be in the best interest of the client. If replacement is contemplated, it is crucial that the agent help the client determine whether replacement is appropriate in light of the client's goals and objectives. When replacement is considered, the policy or contract owner needs to recognize the potential disadvantages of replacement, any plausible alternatives to replacement and the benefits of replacement. Some suggested benefits, disadvantages, and alternatives are listed below.

Possible Benefits:

- administration support;
- extended maturity;
- premium flexibility versus fixed premium;
- additional features available;
- death benefit flexibility;
- consolidation of policies/contracts;
- avoid loss of death benefit;

Possible Benefits *(continued)*:

- tax efficiency;
- enhanced policy performance;
- cash value benefits;
- interest rates (current and guaranteed); and
- Company ratings.

Possible Disadvantages

- acquisition costs for the new policy or contract;
- extended or greater surrender charges may apply to the new policy or contract as well as the old policy or contract;
- if existing cash values are used to fund the new policy or contract, the existing policy or contract will not accumulate value as originally expected;
- possible adverse tax consequences;
- differences in policy or contract features; and
- interest rates (current and guaranteed).

Possible Alternatives

- leave the existing policy or contract intact and purchase a new policy or contract.

NAIC Life Insurance and Annuities Replacement Model Regulation

In 1998, the National Association of Insurance Commissioners (“NAIC”) revised the Model Replacement Regulation to make sure insurers and insurance producers provide consumers with fair and accurate information about life insurance policies and annuity contracts so consumers can make purchase decisions that are in their best interests. Information on which states have adopted the current version of the Model Regulation is available on the Company's website.

According to the Model Replacement Regulation, the applicant and the insurance producer must sign a statement along with every application that indicates whether the applicant has existing life insurance or annuity contracts. It is no longer a question of whether the applicant is actually replacing the life insurance or annuity contract but whether there is existing coverage. If there is existing coverage, then the Model Replacement form is required. The Model Replacement form defines what replacement is for the client, so they may make an educated response to the question of whether they are replacing life insurance or annuity business.

If the applicant answers the question on the replacement form that the proposed sale will not replace existing life insurance or annuities, then the insurance producer's responsibilities with respect to replacement is complete. If the applicant responds on the replacement form that the proposed sale does involve replacement of life insurance or annuities, then the insurance producer is also responsible for the following requirements:

The insurance producer must offer to read the replacement notice aloud to the applicant. If the applicant declines, then the applicant must initial the bottom of the form where indicated.

The insurance producer and applicant must both sign and date the replacement form. A copy of the form must be left with the applicant at the time of application.

Only approved sales materials are to be used in the solicitation of the applicant's business. A copy of all sales materials used must be left with the applicant at the time of application and also included in the agent's files.

If you have any questions about the requirements of the Model Regulation please feel free to contact our Sales Support Desk at (800) 767-7749. Additionally, watch the agent website for notification of additional state adoptions.

If you have questions about replacements or the NAIC Model Regulation, please feel free to contact our Sales Desk Representatives.

Unnecessary Replacements

Agents and insurers are prohibited from recommending the replacement or conservation of an existing policy or contract by use of a materially inaccurate presentation or comparison of an existing policy or contract's premium and benefits or dividends and values, if any, or recommending that a senior purchase an unnecessary replacement annuity.

Repeated occurrences of policy or contract owners purchasing replacement policies or contracts from the same agent after indicating on applications that replacement was not involved in the sale, may be treated as a pattern and may constitute a rebuttable presumption of the agent's knowledge that replacement was intended and that the agent intended to violate this rule.

As an agent, please remember it is your responsibility to ensure that the product meets the financial objectives of the client. It is also important to be aware of your state's specific replacement regulation and subsequent requirements. Due to the definition of replacement in California, it is necessary for agents to use fact finding tools to determine if a sale involving replacement yields a substantial benefit to the applicant. Documentation of all information used to determine if there is a substantial benefit should be kept in the agent's file.

4. GENERAL RULES OF COMPLIANCE

Do use only the most current sales material provided by the Company or materials that have been approved by the Company. You may order materials from our Sales Support Center or download from the Agent Website.

Do accompany replacements with full disclosure of all important information and the appropriate replacement form for the state of issue.

Do use the sales process to determine if a contract or product meets the client's financial objectives and is in the client's long-term best interest. Document this determination in your contract holder's file. Completed suitability forms are required for all annuity sales. Be sure to use only current forms which can be found on the agent website.

Do take applications in person.

Do sell business only in states where you and the Company are properly licensed and appointed. The Agent Website includes the list of the Company's authorized states.

Do promptly deliver policies and contracts and secure a signed delivery receipt from the client for each policy or contract delivered. The signed delivery receipt must be remitted to the Company within five (5) business days.

Do request that clients make checks payable only to Guggenheim Life and Annuity Company. The total amount of the premium should always be remitted to the Company. Cashier's Checks, including Treasurer's Checks, Official Checks and Bank Drafts, may only be used with written permission from the Company.

Do verify that all information on the application is correct. Applications should never provide false or misleading information. Have the Applicant initial any changes or corrections to the application prior to submitting the application to the Company.

Do sign as a witness only if you are actually present at the signing process. You do not need to sign the application to receive a commission. To receive a commission for an application you were not involved in soliciting, the writing agent needs to submit a written request.

Do know and comply with written Company directives and policies including these Business Guidelines.

Do maintain complete client files.

Do document and immediately report any consumer complaint about the Company's policies or products to the Company.

Do educate yourself as an insurance professional about market conduct rules and regulations.

Do keep complete continuing education records.

Do keep all client information confidential unless authorized by the client to release.

Do fully explain the surrender charges and that the renewal rates are set at the discretion of the Company but will not be lower than the guaranteed rate.

Do maintain high standards of integrity, professionalism, and excellence in business transactions.

Do engage in active and fair competition.

Do maintain a high level of professional competence by continually improving knowledge and skills.

Do confirm and adhere to your state's guidelines regarding approved / appropriate designations.

Do NOT engage in churning activities. Churning is the practice where values in an existing policy or contract are utilized to purchase another product solely for the purpose of earning additional commissions or other compensation.

Do NOT make a sale to someone who is in a nursing home or hospital, or about to enter a nursing home or hospital.

Do NOT make a sale to an active duty military member on a military base.

Do NOT use white out or highlight information on any insurance application.

Do NOT sign applications from presentations made by other agents. The agent who signs the application should be the agent who made the sales presentation.

Do NOT take an application through the mail.

Do NOT sign documents on behalf of an insured, annuitant, applicant, beneficiary, or other person.

Do NOT accept risks of any kind or make, modify, or discharge policies / contracts.

Do NOT extend the time for paying the premium. An agent does not have the authority to waive any of the Company's rights or requirements. Do NOT take any action that could be interpreted by a client as a waiver of any of the Company's rights or requirements.

Do NOT endorse, deposit, cash, or otherwise negotiate any check drawn to the Company.

Do NOT have a contract holder, annuitant, applicant, insured, beneficiary, or another person sign a blank document.

Do NOT give rebates. Do NOT pay anything of value, directly or indirectly, to applicants, clients, contract holders, agents, or any other party to induce an individual or any legal entity to purchase a new contract or replace, withdraw funds, surrender, or in any other manner change an existing contract.

Do NOT lend money to or borrow money from any client unless the client is a properly licensed financial institution.

Do NOT take on any fiduciary roles with respect to your clients such as acting as a trustee, executor, guardian, conservator or attorney-in-fact under a power of attorney. Nor should you allow yourself to be named a beneficiary on a client's life policy or annuity contract. The exception to this prohibition is where the client is a member of your immediate family, as long as there is an insurable interest in the life of the insured. (i.e., spouse, children, parents, or siblings).

In Florida, state law provides that the agent's family members may also not be designated as beneficiaries (unless there is an insurable interest in the life of the insured) or perform the fiduciary tasks outlined here unless such family member is related to the owner or insured or is a bank or trust company duly authorized to act as a fiduciary.

Do NOT represent the Company in any manner before a state insurance department or any other governmental agency.

Do NOT make a gift of value on the condition of purchasing insurance.

Do NOT affix a label in such a way so as to modify or change the appearance of Company materials.

Do NOT act as notary for Company clients or on Company documents.

Do NOT maintain a joint bank account with a client unless it is a member of your immediate family.

Do NOT use reverse mortgages to fund Company products.

Do NOT accept cash, money orders, credit card checks, or traveler's checks. Cashier's checks, including Treasurer's Checks, Official Checks and Bank Drafts, may be used only with written permission from the Company.

Do NOT use personal funds to pay client's premiums.

The Company does NOT permit partial 1035 exchanges to another company.

Do NOT disparage other companies, producers/agents or products.

5. FEDERAL AND STATE 'DO NOT CALL' RULES

Observe the Federal 'Do Not Call' protocols and any state regulations.

Observe any Company 'Do Not Call' restrictions or lists.

Cold calls are generally prohibited; explicit authorization to call must be obtained.

If you call a prospective client, and they request that you place them on your 'Do Not Call' List, you must maintain a list and ensure that the prospect is never called by you or anyone in your office.

If you call a prospective client and they request that you place them on the Company 'Do Not Call' List, you must contact the Company at (800) 767-7749 to report the name and phone number to be placed on the Company 'Do Not Call' List.

6. CAN-SPAM ACT

The CAN-SPAM Act

- establishes requirements for commercial email;
- gives recipients the right to opt-out of commercial email; and
- spells out tough penalties for violations.

Commercial email is defined as any electronic mail message, the primary purpose of which is the commercial advertisement or promotion of a commercial product or service. This includes email that promotes content on commercial websites and makes no exception for business-to-business email. All commercial email must comply with the CAN-SPAM law, as well as applicable state laws. Each separate email that violates the CAN-SPAM Act is subject to penalties of up to several thousand dollars. Here are the main requirements for following this law:

- **Don't use false or misleading header information.** All routing information (from, to and reply-to) must include the originating domain name and email address. Further, it must be accurate and state the sender (person or business) who initiated the message.
- **Don't use deceptive subject lines.** Accurately reflect the content of the message!
- **Identify the message as an advertisement.** You must clearly and conspicuously disclose that your message is an advertisement.
- **Provide your location.** Include your valid physical postal address, which can be a current street address, post office box registered with the U.S. Postal Service or private mailbox as long as it is registered with a commercial mail receiving agency established under Postal Service regulations.

- **Provide opt out information.** You must include a clear and conspicuous explanation of how the recipient can opt out of getting email from you in the future. The recipient cannot be required to take any step other than sending a reply email or visiting a single page on a website as a condition for opting-out.
- **Promptly honor opt-out requests.** Any opt-out must be honored within 10 business days and you cannot charge a fee or require the recipient to give you any personal information beyond their email address. Also, you cannot sell or transfer these email addresses, even in the form of a mailing list unless it is to simply transfer information to a company hired to help you comply with the CAN-SPAM Act.
- **Monitor what others are doing on your behalf.** The law clearly states that you are equally responsible for ensuring compliance by any company or person hired by you to handle your email marketing.

7. AGENT APPOINTMENT SELECTION CRITERIA

Selection Criteria:

- Proof of Errors & Omissions Coverage in place (E & O);
- Anti-Money Laundering training / certificate;
- Clear Vector One “Vector” report – No reported outstanding debt owed to other insurance companies;
- No Felonies reported on background check – either past or current.

Company Approval of Candidate:

- All of the Selection Criteria met (if appointment is made specific to application questions and information provided is later found to be false, termination will occur)
- Appropriate state license(s)
- No bankruptcies or collection items
- No current or historical delinquencies
- Conditions falling outside the listed selection criteria may require additional disclosure and/or written explanation for appointment consideration.

Continuing Education

- States require continuing education to renew an insurance producer license. Your appointment with the Company is dependent upon your meeting state continuing education requirements.
- Continuing education requirements differ from state to state. To get the most recent information regarding the requirements in your state, we urge you to call or visit the website of your state’s Department of Insurance.

State Specific Continuing Education Requirements

Please note that insurers are required to verify training requirements have been met in accordance with the applicable state laws. Please be sure to consult with your state to ensure you have completed the approved courses and are up-to-date with your state’s requirements. In the event that your state does not provide online confirmation for insurers, Guggenheim Life and Annuity Company will require a copy of your course completion certificate.

Fair Credit Reporting Act Requirements

As part of Guggenheim’s agent selection procedure, it may request that a report be made by a consumer credit agency, which may supply the Company with information about the agent from its files, from public records and from credit investigations. Guggenheim will provide additional detailed information concerning the investigation, if one is made, to the agent after receiving a written request from the agent and/or in compliance with applicable state law. Should a report have an adverse effect on Guggenheim’s appointment decision, the Company will notify the agent in writing and identify the reporting agency with which the agent may discuss the matter.

8. VIOLATIONS OF FEDERAL CRIME ACT

Section 18 USC 1033(e)(i)(a) of the Federal Crime Act makes it a felony crime for a person to engage or participate in the business of insurance if that person has ever been convicted of a state or federal felony involving dishonesty or a breach of trust or a crime under 18 USC 1033.

The statute makes it illegal for an insurer, reinsurer, its officers, directors, employees, agents and brokers (or others) to willfully employ a person who has been convicted of a felony crime involving dishonesty or a breach of trust without a waiver from an insurance regulatory official.

Any person appointed by the Company to sell its product has an affirmative duty to report possible violations of the Federal Crime Act to the Company at (800) 767-7749.

9. DELIVERY RECEIPT REQUIREMENTS

Annuity product delivery receipts are required by state law for all contracts issued in the states of California, Louisiana, Minnesota, New Hampshire, Pennsylvania, South Dakota, and West Virginia. The Company requires delivery receipts in all states for **all** issued policies and contracts. The Company requires the return of the signed delivery receipt as the information allows the Company to:

- document the timely delivery of the contract;
- accurately track the free look period; and
- document the date of release for commissions that are held.

Delivery Receipts will be included with every annuity contract issued by the Company. Client-signed Delivery Receipts are **required** in all circumstances for all contracts.

Faxed delivery receipts may be accepted. Please contact the New Business Division for approval.

10. COMMISSION-HOLD POLICY ON LARGE CASES

Delivery Receipts will be REQUIRED for Release of Held Commissions

Commission will be subject to a hold on any portion over \$25,000. If you have any questions about the commission-hold policy, call Guggenheim Life and Annuity Company Sales Support at (800) 767-7749.

The held amount will be released after the client-signed Delivery Receipt has been received by the Company and the 30-day Free-Look period has ended. The time period for the Free-Look period may vary by state, but is 30 days for all Company contracts and policies and it begins on the Contract Delivery Date as stated in the client-signed Delivery Receipt.

Additional Information

For split cases where the commission is payable to two or more agents, the commission hold will apply to the aggregated commission.

If the commission amount subject to the hold is less than \$500, the excess will NOT be held and the entire commission will be paid upon issuance of the policy or contract.

11. POLICY ON JOINT OWNERSHIP OF FIXED ANNUITY CONTRACTS

Consumers may request joint ownership of a fixed annuity because they are under the misconception that joint ownership of an annuity is like joint ownership of a bank account. It is not.

With a joint bank account, either of the persons named on the account can make a withdrawal from the account without permission from the other. With joint ownership of an annuity, the signatures of both owners are required to exercise the rights of ownership.

Further, if a withdrawal is taken from a Guggenheim Life and Annuity Company annuity, the primary owner (first listed) will receive an "IRS Form 1099-R - Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc." This means that the primary owner assumes the tax liability for the withdrawal, even if the entire withdrawal was spent by the other joint owner. Any joint owner under age 59 ½ may also be liable for the 10% penalty on any taxable amount of his or her portion of the withdrawal.

If joint ownership by a married couple is desirable and the client wants the right to continue the contract in the event of the death of one, the sole, primary beneficiary should be listed as: **"surviving spouse"**.

If someone other than the spouse is named as the designated beneficiary, or if the spouse is named the beneficiary along with another person, then even if the surviving spouse is a joint owner, the spousal exception is lost.

Applicants should consult a qualified tax advisor.

12. POLICY ON SELLING ACROSS STATE LINES

Many agents sell in more than one state. *In order to do business in a particular state, you must have a resident or nonresident license and be appointed with the Company to do business in that state.* Certain states have specific laws or regulations regarding sales to customers outside their resident state ("non-resident sale"), and each specific state's laws and regulations should be checked. In general, the laws and regulations are intended to prevent non-resident sales when the goal is only to obtain a product not available in the state or to make sure that only agents and companies properly licensed in the state are doing business with residents of the state.

For non-resident sales, where the product is available in both the resident state and the non-resident state, the sale will be governed by the state where the solicitation occurs. When a product is not available for sale in the resident state, a resident is only allowed to purchase the product in another state if they provide a valid reason to be in the non-resident state, other than solely to purchase the insurance product. Examples of valid reasons can include: a second home, visiting family or employment. In these circumstances we recommend that the agent and client document, in writing, the valid reason for the non-resident sale. We may require the agent and client to provide, in writing, the valid reason for the non-resident sale. The entire sales process must occur in the application state, including but not limited to, the sales discussions, application signing and contract delivery. Policies and contracts cannot be mailed to the client's resident state.

Notwithstanding the above, please be aware that if a product is not available for sale in the following states, a resident of that state is not permitted to purchase the product in another state: Alabama, Massachusetts, Minnesota, Oregon, Utah and Washington.

Other state restrictions may exist. For example, when the client is a resident of the state of New York or New Jersey, we will not accept the business. The Company is not currently authorized to engage in the business of insurance in New York or New Jersey.

13. ORIGINAL SIGNATURE REQUIREMENTS

The following is a list of the forms the Company will accept via fax and the forms that require original signatures and therefore cannot be submitted via fax.

Faxes accepted:

Amendments
Beneficiary Changes
Delivery Receipts
Owner Changes
Partial Withdrawals or RMDs
Reallocation/ Rebalancing Changes
Service Request Form
Systematic Withdrawals
Trustee Certification Forms & Trust Documents

Original signatures required:

1035 Exchange or Transfers Out of the Contract
Product Disclosures
Applications and associated forms
Death Claims
Full Surrenders
Replacement Notices

14. ANNUITY SUITABILITY

Company Guidelines and Position on Annuity Suitability

See APPENDIX A – Suitability Form.

Our Company also requires that certain information be provided to consumers to assist them in making a decision about purchasing a product. Such information includes:

Annuity Buyer's Guide—This document is sent with each annuity contract delivered to the client to review during his/her free look period.

Disclosure Statement - For deferred annuity contracts, the information contained in the disclosure is provided to improve the client's understanding of the basic features of the product for which they have applied.

This information will also

- assist the client in determining the appropriateness of the product in relation to his/her needs and
- allow the client and/or the agent to evaluate the recommended product against benefits of similar products.

Delivery Receipt – Delivery Receipts are obtained at delivery of **all** new contracts. This document is used to confirm delivery and reinforce the client's understanding of his/her purchase; and

Other information -- as required by law or deemed appropriate by the Company.

Agent Responsibilities

Agents are responsible for knowing and following our guidelines for suitability and complying with all laws and regulations regarding suitability. We believe agents are in the best position to gather information and make recommendations involving our products since they have direct contact with clients. It is the agents' responsibility to gather and analyze relevant information. The information gathered by the agents and sent to the company is documented on the Suitability Form (APPENDIX A). In addition, the agents should maintain thorough documentation for each sale after the sale is completed.

Our program consists of a front-end suitability analysis review prior to the issuance of each annuity contract. As a result of our suitability review, we may:

- request additional information or clarification;
- work with the agent to revise the recommendation; or
- decline to issue the annuity contract.

Our Standards for Agent Training

We require that our agents be familiar with our products and our business guidelines, including our annuity suitability standards, and require that each agent review these guidelines on an annual basis.

Prior to soliciting the sale of an annuity product, the agent must have adequate knowledge of the product to recommend the sale of the annuity product. Where required by state law or regulation, we will require certification of completion of product-specific training be submitted to us *prior to* solicitation.

We require that agents complete any and all additional training courses required by state law or regulation and submit proof of completion *prior to* solicitation.

We will make certain product-specific and other training available on our website or in some other manner, where appropriate. There is no charge for this training. Updates and enhancements in our products may require additional training.

15. LIFE AND ANNUITY TRANSFERS

Before filling out the transfer paperwork, contact the company from which the transfer is occurring (the “Exchanging Company”) for their paperwork requirements.

Verify that policy and contract owners are listed on the Guggenheim Life and Annuity Company Transfer exactly as they appear on the Exchanging Company's policy or contract.

Verify the address of the Exchanging Company. Supply the Company with a physical mailing address rather than P.O. Box for overnight mailing purposes.

Mark only the section on the transfer form pertaining to this exchange (i.e., 1035 Exchange, IRA, NQ transfer). Marking more than one section may result in delays.

Obtain signatures of all owners on the previous policy or contract. If owned by a Trust, supply the Company with a copy of the Trust document, including the signature page.

When requesting multiple transfers, complete a transfer form (and replacement form, if necessary) for each Exchanging Company. Additional forms can be printed from the Company's website.

When calling the Exchanging Company to check the status on pending transfers/1035 exchanges, do NOT claim to be an employee of Guggenheim Life and Annuity Company.

In accordance with IRS guidelines, it is prohibited to conduct a 1035 exchange from an annuity contract into a life insurance contract. The client must surrender the annuity contract, pay taxes on any gain, and forward a check for purchase of the life insurance policy.

16. TAX WITHHOLDING FOR WITHDRAWAL/SURRENDERS CANNOT BE REVERSED

For any type of payment, withdrawal or surrender from Company annuities, be certain your clients complete the withholding section of the **Partial Withdrawal/Surrender form**, which can be obtained from the Company's Customer Service Department. The Company is required to withhold taxes in accordance with IRS guidelines. When no withholding instructions are provided by the client, we are obligated to withhold. At the start of a new year, we are unable to recover withholding remitted for a prior year.

If your clients need transactions reversed in a prior year, please inform them that we will reverse the transactions but **cannot reverse withholding**. In order for contract owners to recover withholding, they must report it on their current tax returns, using the “IRS Form 1099-R - Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.” information they receive from the Company. All withholding taken on prior year's withdrawals and surrenders will be reported to contract holders on 1099s, which are mailed no later than January 31.

17. PRIVACY POLICY

The Company takes client privacy very seriously. We share a commitment to protect the privacy and confidentiality of personal and financial information. The three basic points of our **Privacy Policy** are as follows:

- We collect only the client information necessary to consistently deliver responsive products and services.
- We maintain safeguards designed to ensure information security.
- We limit how, and with whom, we share client information.

You may only collect, store, use, disclose, and destroy customer information by lawful and fair means that are for specified and appropriate purposes in connection with the legitimate business interests of the Company and in compliance with the Privacy Policy. You also agree to implement reasonable safeguards to protect the confidentiality of this information.

A full version of our Privacy Policy is mailed annually to clients and is included with all new contracts and policies for you to deliver. By accepting appointment with our Company, you agree to be bound by the terms of our **Privacy Policy**. We have included the text of the Privacy Policy that we provide to our clients below:

Disclosure of Privacy Policies and Practices

Guggenheim Life and Annuity Company (“Guggenheim Life”) protects the nonpublic personal information of our customers. We respect your right to privacy and are committed to protecting the privacy of your nonpublic personal information.

This notice lets you know how we collect information about you, the type of information we collect and what we may disclose to our affiliates and nonaffiliated third parties. It also details the steps we take to protect nonpublic personal information:

- Collection of Information
- Sharing and Use of Information
- Protecting the Information
- Consumer Reporting Information
- Review of and Access to Your Information
- Our Continuing Commitment

Collection of Information

We must collect a certain amount of information to provide customer service, offer new products or services, evaluate benefits and claims, administer our products, and fulfill legal and regulatory requirements. Specific language and examples may not apply to all customers, and the data we collect varies accordingly.

Examples include information:

- on your application and related forms, such as name, address, date of birth, Social Security number, gender, marital status, driving history, assets, income and investment option elections;
- about your relationship with us, such as products or services purchased, account balances, payment history and claims history;
- from a consumer reporting agency, such as consumer’s credit worthiness and credit history;
- from other sources, such as motor vehicle reports, medical information and demographic information; and
- from visitors to our Web sites, such as that provided through online forms, site visit data and online information-collecting devices known as “cookies.” Cookies enable the site to “remember” who you are so you can navigate the site more easily. They also permit you to access secured information and conduct secured transactions. We do not record personal or sensitive information in our cookies.

Sharing and Use of Information

While protecting customer information is important, we may find it necessary in the course of conducting business to disclose information we collect about you. This would occur in some or all of the following circumstances.

We may share information as permitted or required by law with:

- our affiliates to enable them to provide customer service or account maintenance, or so they may tell you about other products or services offered that might be useful to you;
- nonaffiliated third parties who are assisting us by performing services or functions on our behalf, such as agents, brokers, brokerage firms, insurance companies, administrators and service providers;
- other financial service companies, such as banks, insurance companies and securities brokers or dealers, with whom we have written joint marketing agreements; and
- nonaffiliated third parties for compliance with a subpoena, fraud prevention or an inquiry from a government agency or regulator.

Personal health information will be shared only with proper written authorization or as required by law. We will not share medical information or motor vehicle reports for marketing purposes.

Information obtained from a report prepared by an insurance-support organization may be retained by that organization and disclosed to others.

Protecting the Information

We are committed to maintaining the security of our customers' personal information. To ensure such information is used only in the manner we have described in this policy, we have instituted the following safeguards:

Employees are required to comply with our established privacy policies and procedures, which exist to protect the confidentiality of customer information. Any employee who violates our privacy policies will be subject to a disciplinary process.

Employees access the information only on a business need-to-know basis, such as to pay benefits or claims, underwrite a contract, administer a plan or service a customer request.

We use manual and electronic security procedures to maintain the confidentiality of the information we collect and to guard against its unauthorized access. Such methods include locked files, user authentication and firewall technology.

Consumer Reporting Information

If required by law and upon written request, we will inform you as to whether a consumer report was requested, as well as the name and address of the consumer-reporting agency that furnished the report.

If permitted by law, we may share credit-reporting information about you with our affiliates. Under the Fair Credit Reporting Act, you may direct us not to share certain credit information with our affiliates, including some nonpublic personal information you provide in your application or that we obtain from nonaffiliated third parties, such as credit bureaus. If you do not want such credit information shared, you may write to us at the address listed on this page. Please provide your name, address, Social Security number and account number(s). Your request not to share credit information does not include information we are permitted by law to share with our affiliates, such as information related solely to our experiences or transactions with you, including account balance and payment history.

Review of and Access to Your Information

If required by law and upon written request, we will make information from your file available for your review. We are unable to provide information collected in connection with, or in anticipation of, any claim or lawsuit or any medical information we have obtained from a health care provider.

If you notify Guggenheim Life and Annuity Company that any information is incorrect, we will review it. If we agree, we will correct our records. If we do not agree, you may submit a short statement of dispute, which will be included in any future disclosure of information.

If you have any questions about the right of access or wish to access your file (as permitted by law), please contact us at the address below and include a copy of your personal identification, such as a driver's license or photo identification.

Privacy Officer

Attention: Privacy Officer
Guggenheim Life and Annuity Company
10689 N. Pennsylvania Street, Suite 200
Indianapolis, IN 46280

Our Continuing Commitment

We will continue to provide this notice at the frequency required by law and will notify customers of any changes at least annually.

We will continue to follow the policies set forth in this notice even when a customer relationship no longer exists. However, that party will no longer be entitled to annual notices.

This notice is being provided on behalf of the Guggenheim Life and Annuity Company.

Our privacy commitment to you also extends to those companies with which we affiliate during the next 12 months.

18. BREACH OF SECURITY

Like any industry, our industry faces a threat of loss of assets through criminal activity and through human error. One of our industry's assets subject to this threat is the information we possess. This would include information about our clients and other consumers. This threat is further compounded by the potential for regulatory violations in situations where consumer information is inappropriately accessed, used, disclosed, lost or stolen. Privacy and security regulations require us to take reasonable precautions to safeguard client information from unauthorized access, use and disclosure.

If you have a reasonable belief that Company consumer information has been inappropriately accessed, used, disclosed, lost or stolen, we ask that you immediately notify the Company so that we may assist you in informing the clients accordingly.

Additional Requirements of Certain States

See Appendix D – Massachusetts - Privacy and Security of Residents of Massachusetts.

19. COMPLAINT, FRAUD, OR SUSPECTED FRAUD POLICY

Complaint Policy

The Company is committed to providing fair and expeditious handling of client complaints and disputes.

Duty to refer complaints to the Company

Written complaints must be immediately referred to the Compliance Department. If a consumer has a complaint, he/she should be asked to submit the complaint in writing. The complaint will be referred to the Compliance Department.

Report all complaints in writing to:

Guggenheim Life and Annuity Company

Attn: Compliance Department

10689 N. Pennsylvania, Suite 200

Indianapolis, IN 46280

Duty to respond to Company inquiry about complaints

Once a complaint has been received by the Compliance Department, the agent connected with the sale will immediately be contacted in writing and may be sent a copy of the complaint. The agent is asked to promptly respond directly to each allegation contained in the complaint. If the complaint was forwarded by a state insurance department or other regulatory agency, there will be a specified time period for the Company to provide a response. Late responses can result in administrative penalties. Therefore, it is very important for the agent to respond to the Company within the time period requested by the Company's Compliance Department. The agent should include any fact-finding or needs-based selling documentation in the file, sales/marketing materials used and a delivery receipt.

Consequences for Failing to Respond to Company Inquiry

Failure to respond to a Company complaint inquiry may result in termination of agent's appointment and also may result in a commission chargeback and/or forfeiture of all rights to any further payments under the agent's contract with the Company.

Important Notice on Fraud

It is the declared and continuing policy of the Company that representatives, including agents or employees, shall not knowingly engage in, or provide assistance to others in, any unfair or deceptive practice that involves dishonesty or a breach of trust. This includes but is not limited to any activity that constitutes fraud or deceit, misappropriation of funds or personal property, forgery, embezzlement, or unauthorized alteration of documents.

Agents have an affirmative duty to report any known fraudulent or suspicious activities. No retaliation will be taken against any third person who provides a report on a possible violation of law, ethics, or Company policy - no matter what the report concerns.

If you fail to respond while having knowledge of violations, you will be subject to disciplinary action, including but not limited to termination of agent's contract(s)/appointment, recommendation of license revocation and criminal prosecution, civil litigation and restitution.

The Company will cooperate fully with law enforcement and regulatory agencies in any investigation and reporting of established violations of our policy.

The Company insists upon the highest standards of ethical behavior as it benefits all clients and agents.

20. FAIR COMPETITION GUIDELINES

Our Company is committed to fair and active competition as the most effective and efficient means of providing products and services to insurance buyers. We require our agents to engage in fair competition. Failure to do so could result in the termination of an appointed agent.

Fair competition is based on the elements of price, quality, and client service subject to federal and state antitrust laws and state insurance laws and regulations. Focus on fair competition can identify certain negative practices to be eliminated, such as inappropriate replacement and bashing of competitors.

A high standard is set for fair competition. The National Association of Insurance Commissioners ("NAIC") has developed model acts dealing with unfair trade practices and with advertising requirements. Most jurisdictions have adopted the NAIC model acts or established higher state specific standards. These are intended to assure appropriate market conduct in the business of insurance by addressing unfair methods of competition and unfair and deceptive acts and practices.

Unfair competition is conduct that is unethical, dishonest, false, or fraudulent rivalry in the insurance business, particularly related to improper practices that try to substitute one insurer's products or services in the market for those of another insurer. The following practices are prohibited:

Misrepresentation

Making any estimate, illustration, circular or statement, sales presentation, omission or comparison that misrepresents the benefits, advantages, conditions or terms of any contract; or is misleading as to the financial condition of any insurer or to the legal reserve system upon which any Company operates; or using any name or title of any product or class of products misrepresenting the true nature thereof; or any intentional misquote of rates for the purpose of inducing the purchase, lapse, forfeiture, exchange, conversion or surrender of any contract.

False Information

Making, publishing, disseminating, circulating or placing before the public an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance which is untrue, deceptive or misleading.

Defamation

Making, publishing, disseminating or circulating, directly or indirectly, any oral or written statement or any pamphlet, circular, article or literature which is false, or maliciously critical of or derogatory to the financial condition of any insurer, and which is calculated to injure the insurer.

Boycott, Coercion and Intimidation

Entering into any agreement to commit, or by any concerted action committing any act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance.

False Statements and Entries

Knowingly making any false material statement of fact as to the financial condition of an insurer; and knowingly making a false entry of a material fact in any book, report or statement of any insurer or knowingly omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report or statement of such insurer, or knowingly making any false material statement to any insurance department official.

Unfair Discrimination

Refusing coverage based on sex, marital status, race, religion, or national origin of the individual.

Rebates

Knowingly permitting or offering to make any agreement to provide any valuable consideration as an incentive to purchase or retain such insurance other than as plainly expressed in the contract issued thereon; or paying or allowing, directly or indirectly, as inducement, any rebate of premiums.

Unfair Financial Planning Practices

Holding himself/herself out, directly or indirectly, to the public as a financial planner, investment advisor, consultant, financial counselor, or any other specialist engaged in the business of giving financial planning or advice relating to investments, insurance, real estate, tax matters, estate or trust matters when such person is in fact engaged only in the sale of life insurance or annuities. This does not preclude persons who hold some form of formal recognized financial planning or consultant certification or designation from using their designation when they are only selling insurance. It does not permit persons to charge an additional fee for services that are customarily associated with solicitation, negotiation or servicing of our contracts or policies.

Bashing

Bashing is behavior that occurs when, in a sales situation, an insurance company or its agent puts the primary focus on negative attributes, other than relevant and factually accurate information, of a competitor or its representatives rather than on the positive attributes of that company or its products or services. .

Disparaging

This term refers to statements, either written or verbal, that are untruthful, deceptive or misleading or otherwise unlawful with regard to competitors. Such statements are usually intended to dissuade a client from doing business with a competitor. Disparaging statements do not include relevant, factually accurate information.

Pretext Interviews

This term refers to an interview whereby a person, in an attempt to obtain information about a natural person, performs one or more of the following acts:

- pretends to be someone he or she is not;
- pretends to represent a person he or she is not in fact representing;

- misrepresents the true purpose of the interview; and/or
- refuses to identify himself or herself upon request.

If you run into any instances that you believe to be unfair competition, please call our Toll-free Number at (800) 767-7749. *Also, please refer to your state laws as they may have more strict definitions or guidelines.*

21. LIVING TRUSTS AND ESTATE PLANNING

Agents should be extremely cautious of any involvement with a sales track that connects the use of Living Trusts or other Estate Planning in conjunction with the sale of insurance products. The unauthorized practice of law has been established in a number of states where a non-lawyer performs the following activities:

- Advising and counseling that a specific type of trust agreement would be suitable for their specific estates and should be established.
- Preparation and drafting of trust agreements and the supervision of the execution of those documents.
- Advising and counseling with respect to the laws of the state governing the probate of decedent's estates and the tax laws of that state and the United States.

While it is proper for agents to be conversant in such topics and to alert their clients to the existence of such options, any direct activity such as explanation of the law, preparation, or execution of documents must be handled by a private attorney employed by the client. And, of course, it is always important that the prospective client know from the beginning that the agent is selling insurance products.

22. MONEY LAUNDERING AND TERRORIST FINANCING

The Company, in compliance with the USA PATRIOT Act ("PATRIOT Act") and other federal laws related to the prevention of money laundering and terrorist financing, has adopted a policy on money laundering. The Company's policy is available on the Agent Website. As always, the Company is committed to compliance with the letter and spirit of all legal requirements applicable to our business and to the ethical standards of conduct. We also expect that you, as our agents, will promote these same high standards.

Although this policy will not significantly affect the way you administer business, there are some guidelines to which you must adhere, as well as some procedures that should be followed if you suspect an illegal transaction.

Agent Training Required

The Federal anti-money laundering regulations – mandated by the PATRIOT Act – took effect on May 2, 2006. Prior to writing new business, the regulations require that insurance agents receive training on anti-money laundering procedures. As part of the initial appointment process with the Company, all agents will be required to submit written proof that they have complied with this requirement before they can be contracted with the Company. Anti-money laundering training must be provided through a training program or provider which is reasonably acceptable to Guggenheim Life and Annuity Company.

Registered representatives (securities licensed agents) are exempt from the training requirement as registered representatives are already required to take anti-money laundering training under the regulations applicable to registered products; nonetheless, proof of that training is required.

Identification

One of the most important methods by which the companies can protect themselves from exposure is to implement a stringent "know your client" policy. We are required to use reasonable efforts to determine and verify the true identity of a client. You must be careful to obtain all of the necessary information on the current application and forms used to change ownership. This information includes name, residence address, business address, date of birth, social security or tax identification number, and telephone number.

We are relying on you to obtain all of this information as well as to review a government-issued photo identification if the client is unknown to you. We believe that most clients will understand that these measures are needed to protect against money laundering, identity theft, and other wrong doing. Moreover, our clients should be accustomed to presenting government issued identification in air travel, in banks, and other financial services. If a client is unwilling to provide you with such information, explain the basis for our policy and insist on proper identification. If the client continues to resist, it may be an indication that the client is trying to hide something.

Payment

In addition to identifying our clients, we must have reasonable belief as to the source of the money used in the transaction. The Company will not conduct business involving illegal funds. We must take care to identify the ownership and source of payments we receive.

Therefore, the **only acceptable** forms of payment will be:

- Checks payable only to the Company from the applicant.
- Transfer from trust accounts.
- Payments from insurance companies whose policies/contracts are exchanged for one issued by the Company.
- Transfers from one financial institution to another.

The following forms of payment **will not be accepted**:

- Currency (domestic or foreign)
- Traveler's Checks and credit card checks
- Money orders
- Other cash equivalents
- Wire transfers directly from a foreign financial center
- Checks drawn from agent or agency accounts.

Suspicious Activity

In addition, it is your responsibility to report any suspicious activity that arises during the application process. Failure to report suspicious activity is a Federal offense, and lack of knowledge about suspicious activity is not a defense. Some risk indicators to watch for:

- The applicant is reluctant to provide normal information when applying, provides minimal or fictitious information, or provides information that is difficult or expensive for the institution to verify.
- Transactions that involve an undisclosed party.
- The applicant shows no concern for the performance of the contract but is very concerned about the early cancellation.
- The applicant appears to have contracts or policies with several institutions.
- The applicant purchases contracts or policies in amounts beyond his or her apparent means.
- The applicant is making a single large premium payment, such as buying a single premium annuity and the ownership and source of funds cannot be identified.

This list is not all inclusive. If you see activity that appears to be suspicious, report it to the Company at (800) 767-7749.

23. RECORDS RETENTION

It is important to maintain and make available upon request to the Company a record of client information collected and whether the client elected to purchase a life insurance policy or annuity. Certain documents should always be maintained. These include:

- Original sales proposals;
- A copy of any needs analysis completed during the solicitation;
- A copy of any sales material and advertisements used during the sales process;
- Any written correspondence to or from the applicants/contract owners regarding the solicitations, issuance of the contract , or subsequent service of the contract;
- Documentation of phone calls to or from the applicants/contract owner addressing the above issues;
- Notes from meetings with the applicants/contract owner; and
- A copy of the signed delivery receipt.

State regulations vary regarding the length of time that client files are to be maintained. However a general rule of thumb is to maintain all active client files indefinitely and all inactive client files for seven (7) years. Records should be maintained in accordance with prudent record keeping practices and in compliance with all federal and state privacy and security standards.

24. IMPORTANT PHONE NUMBERS

Our Marketing, Customer Service and Compliance Departments welcome your questions:

Please call: **800-767-7749** for:

- Sales Support
- Product Information
- Illustrations
- General Questions
- Advertising Information
- Anonymous reporting of suspected fraud
- Compliance or Market Conduct questions

Please Call: **800-990-7626** for:

- General Customer Service
- Policy Information
- New Business Support or Inquiry
- General Questions
- State Approvals

APPENDIX A – Suitability Form

GUGGENHEIM

Annuity Customer Identification & Suitability Confirmation Worksheet

Guggenheim Life and Annuity Company
 10689 N. Pennsylvania, Suite 200
 Indianapolis, IN 46280-0248
 800-767-7749 www.guggenheiminsurance.com

Thank you for your interest in a Guggenheim Life and Annuity Company annuity. Completion of this worksheet is an essential part of the application process. It helps your agent assess your insurance needs and financial objectives and also aids in ensuring compliance with the USA PATRIOT Act.

NOTE: Joint ownership is available only to those in a spousal relationship. If the joint owner is not spousal, separate worksheets must be completed by each joint owner.

Non-Natural Owners: For a non-natural owner, such as a trust, the information on the front of this form should be relevant to the entity. On the reverse side, the Identification Verification information should be provided by the person(s) authorized to act on behalf of the entity.

Owner Information

Joint Owner Information

- 1. Name _____
- 2. Occupation _____
- 3. U.S. Citizen Yes No
- 4. Place of Birth _____
Specify City and State (Country if other than United States)
- 9. Approximate Annual Income \$ _____
- 10. Approximate Net Worth \$ _____
Net Worth equals Total Assets (not including home, jewelry, furnishings and automobile) less Total Debts
- 11. Source of Income Current Wages Pension Plan
 Social Security Investment income None
 Required Minimum Distribution (RMD) or 72 (t)/(q) distributions Other _____
- 12. Combined state and federal tax bracket 0% 10%-20% 21%-30% 31%-40% 41%-50%
 Other _____

- 5. Name _____
- 6. Occupation _____
- 7. U.S. Citizen Yes No
- 8. Place of Birth _____
Specify City and State (Country if other than United States)

FOR PRODUCT BEING APPLIED FOR:

A. Product Name _____

B. Premium Amount _____

C. Surrender Charge Period _____

- 13. Why are you purchasing this product? Check all that apply:
 Income Potential Growth Preservation of Capital Tax Deferral Pass Assets on to Beneficiaries
 Flexibility Lifetime Income Payout Provide guarantees Other _____
- 14. Do you have sufficient liquid assets available for monthly living expenses and emergencies **other than the money you plan to use to purchase this annuity?** Yes, please list amount of liquid assets \$ _____ (Examples: checking, savings or money market accounts, short term CDs, bonds, etc.) No
- 15. What is the source of premium for this annuity? Check all that apply: Annuity Life Insurance
 Certificates of Deposit 401(k) Other Investments Reverse Mortgage Other
 15a. Are there any surrender charges, penalties or settlement fees of any kind associated with any source(s) of the annuity's premium checked above? Yes No

<p>If 15a is Yes: List the amount of any surrender charges, penalties or settlement fees associated with any source(s) of the annuity's premium. List total amount for each premium source. <u>If multiple sources of premium, list each amount separately.</u></p>	<p>Source of Premium (Type or Company Name)</p> <p>_____</p> <p>_____</p>	<p>Surrender Charge or Penalty</p> <p>_____</p> <p>_____</p>
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- 16. Do you now own, or have you previously owned, any of the following financial products? (Check all that apply.)
 Certificates of Deposit ___yrs. Fixed Annuity ___yrs. Variable Annuity ___yrs.
 Stock/Bond/Mutual Funds ___yrs. Life Insurance ___yrs. None
 16a. Were your current investments and insurance products discussed with your agent prior to your decision to purchase this annuity? Yes No

(07/2011)

APPENDIX A – Suitability Form

17. Do you understand and accept that you could possibly lose some of your principal if you surrender your policy before the end of the surrender charge period (if your cash surrender value is less than your premium)? Yes No
18. Do you understand and accept that your interest credits may fluctuate depending on the product you are purchasing and, if applicable, the strategy allocation you have selected? Yes No
19. How do you anticipate taking money from this annuity? Check all that apply:
 Free/Systematic withdrawals Free/Lump sum Income Rider Required Minimum Distributions
 Immediate Income Annuitize in the future I don't anticipate taking any distributions.
 Other: Please explain: _____
 19a How long do you plan to take money from this annuity? _____
20. Are you or your spouse currently in a nursing home or do you plan to enter a nursing home in the next 6 months?
 Yes No
21. Have you been diagnosed with a terminal condition or advised by a physician that you have 24 months or less to live?
 Yes No
22. Do you anticipate a significant increase in living expenses or a significant reduction in income or liquid assets during the term of this annuity? Yes No If Yes, please explain: _____

Customer Identification Verification type of Government-issued photo id: choose either a, b, c or d.

Owner Verification

- A. Drivers License (DL) State of Issue _____ DL Number _____ Expiration Date _____
- B. Passport Country of Issue _____ Number _____ Expiration Date _____
- C. Other State/Country of Issue _____ Number _____ Expiration Date _____
- D. An unexpired government-issued photo ID is not available.

Joint Owner Verification

- A. Drivers License (DL) State of Issue _____ DL Number _____ Expiration Date _____
- B. Passport Country of Issue _____ Number _____ Expiration Date _____
- C. Other State/Country of Issue _____ Number _____ Expiration Date _____
- D. An unexpired government-issued photo ID is not available.

Owner's Confirmation

By signing below, I acknowledge the information I provided on this form, regarding my financial status, tax status, investment objectives, identification information, and any other information requested by my agent is complete and accurate to the best of my knowledge. I further acknowledge that neither the Company nor its representatives offer legal or tax advice and that I have been advised to consult my own personal attorney or tax advisor on any tax matters. I acknowledge that the fixed annuity I am applying for is a long-term contract with substantial penalties for early withdrawals; additionally, I am aware that any withdrawals taken from the annuity may result in a taxable event. I believe the annuity I am applying for is suitable according to my insurance needs and/or financial objectives.

Was your decision to purchase this annuity based on your agent's recommendation? Yes No

Owner's Signature _____ Date _____

Joint Owner's Signature _____ Date _____

Agent's Confirmation

By signing below, I acknowledge that I have made a reasonable effort to obtain information from the Owner concerning the Owner(s)' financial status, tax status, investment objectives and other information considered reasonable. It is my belief that based on the information the Owner provided and based on all the circumstances known to me at the time the recommendation was made, the annuity being applied for, based on my recommendation is suitable for the Owner(s)' insurance needs and/or financial objectives. In addition, I have verified the identity of the Owner(s) and believe the information the Owner(s) provided to me regarding his or her identity is true and accurate.

Was the owner's decision to purchase this annuity based on your recommendation? Yes No

Agent's Signature _____ Date _____

GLA-SUITABILITY

(07/2011)

APPENDIX B – Minnesota Marketing and Solicitation Statute and Form

Pursuant to Minnesota State Statute Section 60K.46, unless the client personally knows the identity of the agent and has awareness of their insurance business, or if the client initiated the contact, or if the initial personal contact is made by telephone, or if the attempted sale takes place at the agent's place of business, the agent must provide the following before a personal insurance or annuity solicitation:

- the name of the person that initiated the contact;
- the name of the producer, general agency, or insurer that the agent represents; and
- the fact that the agent, agency, or insurer is in the business of conducting insurance.

The Company provides a form that agents may use for this purpose. A copy of this form is attached to this APPENDIX B and an executed copy of this form must be included along with all annuity applications submitted to the Company from agents soliciting business in Minnesota.

APPENDIX B – Minnesota Marketing and Solicitation Statute and Form

GUGGENHEIM

Disclosure Statement - Minnesota

Guggenheim Life and Annuity Company
10689 N. Pennsylvania, Suite 200
Indianapolis, IN 46280-0248
800-767-7749
www.guggenheiminsurance.com

To: _____
Prospective Minnesota Client (please print)

From: _____
Agent (please print)

Name of Producer/General Agency
Represented by Agent (if applicable)

Pursuant to Minnesota Statute 60K.46, prior to making any offer to sell you any life insurance or annuity product, I am required to advise you, in writing, that I am an appointed producer with GUGGENHEIM LIFE AND ANNUITY COMPANY. The name of the person who initiated contact with you for the purpose of this sales call is _____.

By signing below, I acknowledge receipt of this Disclosure Statement and that I have read and understand its contents.

Signature of Prospective Minnesota Client

Date

Signature of Agent / Agent No.

Date

APPENDIX C – Marketing and Advertising Requirements of California and Forms

Marketing and Advertising Requirements of California

FOR PRODUCERS MARKETING TO RESIDENTS IN CALIFORNIA: California Insurance Code Sections 789.8 through 789.10 impose additional requirements on advertising practices that target senior citizens. Unless otherwise noted, California defines senior citizens as persons age 65 and older. The following is a reminder of your responsibilities when marketing to seniors in California.

Sales Presentations

Any person who meets with a senior in the senior's home, including an agent, broker, producer, or representative who offers life insurance or annuities for sale, or generates leads for sale to senior insureds (aged 65 and older) or prospective insureds in the senior's home, must follow the requirements outlined below.

Requirements Before the Visit:

You must deliver a Company-approved notice, or one that is “substantially similar,” *in writing* to the senior no less than 24 hours prior to the initial meeting in the senior's home. California mandates that the entire form be in 14-point font. It is the agent's responsibility to use either a company-approved notice or one which is “substantially similar” to that required by California law. Please be aware that if agents use a Company name or product on this disclosure form, the entire form must be reviewed and approved as advertising by the Company's home office prior to use.

If the senior has an existing business relationship with an insurance agent and requests a meeting with the agent in his or her home the same day, the notice shall be delivered to the senior prior to the meeting.

Please note that no sale or order for the sale of a life insurance policy, annuity contract, or long term care insurance policy may be made at the residence of a senior, either in person or by telephone, by using any plan, scheme, or ruse that misrepresents the true status or mission of the contact.

Requirements During the Visit:

Upon meeting the senior in his or her home and before making any statement (other than a greeting) or asking the senior any questions, agents, producers, or representatives must state:

- 1) That the purpose for the initial visit, or any follow-up visit, is to sell insurance;
- 2) The names and titles of all persons arriving at the senior's home; and
- 3) The name(s) of the insurer(s) represented by the person.

In addition, each person meeting with a senior shall provide him or her with a business card or other written identification that includes a name, business address, telephone number, and an insurance license number, if applicable. Should the senior end the discussion and ask the agent to leave, he or she *must* do so immediately.

APPENDIX C – Marketing and Advertising Requirements of California and Forms

Advertisements

Any advertisement or other device that is directed toward individuals aged 65 and older, which is designed to produce leads based on a response from a potential insured, shall *prominently* disclose that an agent may contact the applicant if that is the fact.

In addition, the following requirements, previously only applicable to disability insurance, now apply to life, annuity and long term care insurance product sales to seniors:

No insurer, agent, broker, solicitor, or other person or other entity shall solicit persons aged 65 and older in this state for the purchase of disability insurance, life insurance, or annuities, through the use of a true or fictitious name, which is deceptive or misleading with regard to the status, character, or proprietary or representative capacity of the entity or person, or to the true purpose of the advertisement.

For purposes of this section, an advertisement includes envelopes, stationery, business cards, or other materials designed to describe and encourage the purchase of a policy or certificate of disability insurance, life insurance, or an annuity.

Finally, in addition to any other prohibition on untrue, deceptive, or misleading advertisements, no advertisement for an event where insurance products will be offered for sale may use the terms “seminar,” “class,” informational meeting,” or substantially equivalent terms to characterize the purpose of the public gathering or event unless it includes the words “and insurance sales presentation” immediately following those terms in the same type size and font.

MEDI-CAL Eligibility

The sale of an annuity to a senior is prohibited in any of the circumstances listed below:

- (1) The senior’s purpose in purchasing the annuity is to affect Medi-Cal eligibility and either of the following is true:
 - (a) The purchaser’s assets are equal to or less than the community spouse resource allowance established annually by the State Department of Health Services, pursuant to the Medi-Cal Act; or
 - (b) The senior would otherwise qualify for Medi-Cal.
- (2) The senior’s purpose in purchasing the annuity is to affect Medi-Cal eligibility and, after the purchase of the annuity, the senior or the senior’s spouse would not qualify for Medi-Cal.

In the event that a fixed annuity in the circumstances specified above is issued to a senior, the Company shall rescind the contract and refund all premiums, fees, any interest earned under the terms of the contract, and costs paid for the annuity to the purchaser. This remedy shall be in addition to any other remedy that may be available.

GUGGENHEIM

Disclosure Statement - California

Guggenheim Life and Annuity Company
10689 N. Pennsylvania, Suite 200
Indianapolis, IN 46280-0248
800-767-7749 www.guggenheiminsurance.com

To: _____
Prospective California Client (please print)

From: _____
Agent (please print)

Pursuant to California Insurance Code 789.8, in the event that I offer to sell you any life insurance or annuity product, I am required to advise you, in writing that the sale or liquidation of any stock, bond, IRA, certificate of deposit, mutual fund, annuity, or other asset to fund the purchase of life insurance and/or an annuity, may have tax consequences, early withdrawal penalties, or other costs or penalties as a result of the sale or liquidation.

You, or your duly appointed representative, may wish to consult independent legal and/or financial advisors **before** selling or liquidating any assets and **prior** to purchasing life insurance and/or an annuity from me.

By signing below, I acknowledge receipt of this Disclosure Statement and that I have read and understand its contents. _____

Signature of Prospective California Client
(or duly appointed representative)

Date

Signature of Agent

Date

Agent's License Number



Guggenheim Life and Annuity Company
 10689 N. Pennsylvania, Suite 200
 Indianapolis, IN 46280-0248
 800-767-7749 www.guggenheiminsurance.com

**Notice – California
 Insurance Code 789.10(a)**

Any person who meets with a senior (65 years of age or older) in the senior's home is required to deliver a notice in writing to the senior no less than 24 hours prior to that individual's initial meeting in the senior's home. If the senior has an existing insurance relationship with an agent and requests a meeting with the agent in the senior's home the same day, a notice shall be delivered to the senior prior to the meeting.

Appointment Date and Time: _____ AM/PM
 (mm/dd/yyyy) (time)

1. During this visit or a follow-up visit, you will be given a sales presentation on the following (indicate all that apply):

- Life insurance, including annuities
- Other insurance products (specify): _____

- 2. You have the right to have other persons present at the meeting, including family members, financial advisors or attorneys.
- 3. You have the right to end the meeting at any time.
- 4. You have the right to contact the Department of Insurance for information, or to file a complaint. The consumer assistance telephone number is 1-800-927-4357 or 213-897-8921.
- 5. The following individuals will be coming to your home to talk about insurance, or to gather information for a follow-up visit to sell insurance:

Attendee's Name	Business Address	Telephone No.	CA Agent No. (if applicable)

 Agent's Signature Date

By signing this form, I acknowledge that this notice was delivered to me no less than 24 hours prior to the meeting time shown on this form, or was provided to me prior to the meeting if the agent has an existing relationship with me.

 Signature of Prospective Client Date

GUGGENHEIM

Notice – Standards for Medi-Cal Eligibility - California

Guggenheim Life and Annuity Company
10689 N. Pennsylvania, Suite 200
Indianapolis, IN 46280-0248
800-767-7749

For Distribution by Insurers, Agents, and Brokers

IF YOU OR YOUR SPOUSE ARE CONSIDERING PURCHASING A FINANCIAL PRODUCT BASED ON ITS TREATMENT UNDER MEDI-CAL PROGRAM, READ THIS IMPORTANT MESSAGE!

You or your spouse do not have to use up all of your savings before applying for Medi-Cal.

Unmarried Resident

An unmarried resident may be eligible for Medi-Cal benefits if he or she has less than \$_____ in countable resources. The Medi-Cal recipient is allowed to keep from his or her monthly income a personal allowance of \$_____ plus the amount of any health insurance premiums paid. The remainder of the monthly income is paid to the nursing facility as a monthly share-of-cost.

Married Resident

Community Spouse Resource Allowance: If one spouse lives in a nursing facility, and the other spouse does not live in a facility, the Medi-Cal program will pay some or all of the nursing facility costs as long as the couple together does not have more than \$_____.

Minimum Monthly Maintenance Needs Allowance: If a spouse is eligible for Medi-Cal payment of nursing facility costs, the spouse living at home is allowed to keep a monthly income of at least his or her individual monthly income or \$_____, whichever is greater.

Fair Hearings and Court Orders

Under certain circumstances, an at-home spouse can obtain an order from an administrative law judge or court that will allow the at-home spouse to retain additional resources or income. The order may allow the couple to retain more than \$_____ in countable resources. The order also may allow the at-home spouse to retain more than \$_____ in monthly income.

Real and Personal Property Exemptions

Many of your assets may already be exempt. Exempt means that the assets are not counted when determining eligibility for Medi-Cal.

Real Property Exemptions

One principal residence. One property used as a home is exempt. The home will remain exempt in determining eligibility if the applicant intends to return home someday. The home also continues to be exempt if the applicant's spouse or dependent relative continues to live in it. Money received from the sale of a home can be exempt for up to six months if the money is going to be used for the purchase of another home.

Real property used in a business or trade. Real estate used in a trade or business is exempt regardless of its equity value and whether it produces income.

APPENDIX C – Marketing and Advertising Requirements of California and Forms

Personal Property and Other Exempt Assets

- *IRAs, KEOGHs, AND OTHER WORK-RELATED PENSION PLANS.* These funds are exempt if the family member whose name it is in does not want Medi-Cal. If held in the name of a person who wants Medi-Cal and payments of principal and interest are being received, the balance is considered unavailable and is not counted. It is not necessary to annuitize, convert to an annuity, or otherwise change the form of the assets in order for them to be unavailable.
- *Personal property used in a business or trade.*
- *One motor vehicle.*
- *Irrevocable burial trusts or irrevocable prepaid burial contracts*

There may be other assets that may be exempt.

This is only a brief description of the Medi-Cal eligibility rules. For more detailed information; you should call your county welfare department. Also, you are advised to contact a legal services program for seniors or an attorney that is not connected with the sale of this product.

Please note: The Federal Government has authorized the State of California, Department of Health Services (DHS) to seek repayment from annuities held by deceased Medi-Cal beneficiaries. The Department may seek from the estate of a deceased Medi-Cal beneficiary the expenses incurred for all premium payments and services received by the beneficiary's **58th** birthday. Premium payments made by the State include, but are not limited to, dental premiums, Medicare premiums, and premium payments made to Medi-Cal managed care plans.

In addition if you seek Medi-Cal payment for nursing facility services, you may be ineligible for those services if payments from your annuity extend beyond your life expectancy based upon life expectancy tables adopted by the Department of Health Services for this purpose. To find out about these tables you may contact your local county welfare department.

Finally, the Department of Health Services is currently refining its policy regarding the treatment of annuities when determining eligibility for nursing facility services. Any regulatory changes will only impact annuities that are purchased after the effective date of any regulatory amendments.

Different rules apply to annuities that are qualified retirement arrangements established pursuant to Title 26, Internal Revenue Code; Subtitle A, Chapter 1, Subchapter D, Part 1. In some circumstances, Medi-Cal does not count funds held in an IRA, Keogh, or other work-related retirement arrangement. To find out if Medi-Cal would count your IRA, Keogh, or work-related retirement arrangements, you may contact your local county welfare department.

I have read the above notice and have received a copy.

Purchaser Signature:

Spouse's Signature:

Legal Representative Signature:

APPENDIX D – Privacy and Security of Residents of Massachusetts

Privacy and Security of Residents of Massachusetts

In 2010, the Commonwealth of Massachusetts implemented additional security requirements applicable to personal information of residents of the Commonwealth which is received by agents of the Company.

Massachusetts regulation 201 CMR 17.00 requires the following:

Every person that owns or licenses personal information about a resident of the Commonwealth shall develop, implement, and maintain a comprehensive information security program that is written in one or more readily accessible parts and contains administrative, technical, and physical safeguards that are appropriate to

- (a) the size, scope and type of business of the person obligated to safeguard the personal information under such comprehensive information security program;
- (b) the amount of resources available to such person;
- (c) the amount of stored data; and
- (d) the need for security and confidentiality of both consumer and employee information.

The safeguards contained in such program must be consistent with the safeguards for protection of personal information and information of a similar character set forth in any state or federal regulations by which the person who owns or licenses such information may be regulated.

For your reference, included in this **Appendix D** are the following:

- a copy of Massachusetts Regulation 201 CMR 17.00; and
- a Certification of Compliance that
 - must be signed by all agents writing business in Massachusetts and
 - returned to the Company.

APPENDIX D – Privacy and Security of Residents of Massachusetts

201 CMR 17.00:

STANDARDS FOR THE PROTECTION OF PERSONAL INFORMATION OF RESIDENTS OF THE COMMONWEALTH

Section:

17.01: Purpose and Scope

17.02: Definitions

17.03: Duty to Protect and Standards for Protecting Personal Information

17.04: Computer System Security Requirements

17.05: Compliance Deadline

17.01 Purpose and Scope

(1) Purpose

This regulation implements the provisions of M.G.L. c. 93H relative to the standards to be met by persons who own or license personal information about a resident of the Commonwealth of Massachusetts. This regulation establishes minimum standards to be met in connection with the safeguarding of personal information contained in both paper and electronic records. The objectives of this regulation are to insure the security and confidentiality of customer information in a manner fully consistent with industry standards; protect against anticipated threats or hazards to the security or integrity of such information; and protect against unauthorized access to or use of such information that may result in substantial harm or inconvenience to any consumer.

(2) Scope

The provisions of this regulation apply to all persons that own or license personal information about a resident of the Commonwealth.

17.02: Definitions

The following words as used herein shall, unless the context requires otherwise, have the following meanings:

Breach of security, the unauthorized acquisition or unauthorized use of unencrypted data or, encrypted electronic data and the confidential process or key that is capable of compromising the security, confidentiality, or integrity of personal information, maintained by a person or agency that creates a substantial risk of identity theft or fraud against a resident of the commonwealth. A good faith but unauthorized acquisition of personal information by a person or agency, or employee or agent thereof, for the lawful purposes of such person or agency, is not a breach of security unless the personal information is used in an unauthorized manner or subject to further unauthorized disclosure.

Electronic, relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

Encrypted, the transformation of data into a form in which meaning cannot be assigned without the use of a confidential process or key.

Owens or licenses, receives, stores, maintains, processes, or otherwise has access to personal information in connection with the provision of goods or services or in connection with employment

APPENDIX D – Privacy and Security of Residents of Massachusetts

17.02: Definitions

Person, a natural person, corporation, association, partnership or other legal entity, other than an agency, executive office, department, board, commission, bureau, division or authority of the Commonwealth, or any of its branches, or any political subdivision thereof.

Personal information, a Massachusetts resident's first name and last name or first initial and last name in combination with any one or more of the following data elements that relate to such resident: (a) Social Security number; (b) driver's license number or state-issued identification card number; or (c) financial account number, or credit or debit card number, with or without any required security code, access code, personal identification number or password, that would permit access to a resident's financial account; provided, however, that "Personal information" shall not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public.

Record or Records, any material upon which written, drawn, spoken, visual, or electromagnetic information or images are recorded or preserved, regardless of physical form or characteristics.

Service provider, any person that receives, stores, maintains, processes, or otherwise is permitted access to personal information through its provision of services directly to a person that is subject to this regulation.

17.03: Duty to Protect and Standards for Protecting Personal Information

- (1) Every person that owns or licenses personal information about a resident of the Commonwealth shall develop, implement, and maintain a comprehensive information security program that is written in one or more readily accessible parts and contains administrative, technical, and physical safeguards that are appropriate to
 - (a) the size, scope and type of business of the person obligated to safeguard the personal information under such comprehensive information security program;
 - (b) the amount of resources available to such person;
 - (c) the amount of stored data; and
 - (d) the need for security and confidentiality of both consumer and employee information. The safeguards contained in such program must be consistent with the safeguards for protection of personal information and information of a similar character set forth in any state or federal regulations by which the person who owns or licenses such information may be regulated.
- (2) Without limiting the generality of the foregoing, every comprehensive information security program shall include, but shall not be limited to:
 - (a) Designating one or more employees to maintain the comprehensive information security program;

APPENDIX D – Privacy and Security of Residents of Massachusetts

17.03: Duty to Protect and Standards for Protecting Personal Information *(continued)*

- (b) Identifying and assessing reasonably foreseeable internal and external risks to the security, confidentiality, and/or integrity of any electronic, paper or other records containing personal information, and evaluating and improving, where necessary, the effectiveness of the current safeguards for limiting such risks, including but not limited to:
 - 1. ongoing employee (including temporary and contract employee) training;
 - 2. employee compliance with policies and procedures; and
 - 3. means for detecting and preventing security system failures.
- (c) Developing security policies for employees relating to the storage, access and transportation of records containing personal information outside of business premises.
- (d) Imposing disciplinary measures for violations of the comprehensive information security program rules.
- (e) Preventing terminated employees from accessing records containing personal information.
- (f) Oversee service providers, by:
 - 1. Taking reasonable steps to select and retain third-party service providers that are capable of maintaining appropriate security measures to protect such personal information consistent with these regulations and any applicable federal regulations; and
 - 2. Requiring such third-party service providers by contract to implement and maintain such appropriate security measures for personal information; provided, however, that until March 1, 2012, a contract a person has entered into with a third party service provider to perform services for said person or functions on said person's behalf satisfies the provisions of 17.03(2)(f)(2) even if the contract does not include a requirement that the third party service provider maintain such appropriate safeguards, as long as said person entered into the contract no later than March 1, 2010.
- (g) Reasonable restrictions upon physical access to records containing personal information, and storage of such records and data in locked facilities, storage areas or containers.
- (h) Regular monitoring to ensure that the comprehensive information security program is operating in a manner reasonably calculated to prevent unauthorized access to or unauthorized use of personal information; and upgrading information safeguards as necessary to limit risks.
- (i) Reviewing the scope of the security measures at least annually or whenever there is a material change in business practices that may reasonably implicate the security or integrity of records containing personal information.
- (j) Documenting responsive actions taken in connection with any incident involving a breach of security, and mandatory post-incident review of events and actions taken, if any, to make changes in business practices relating to protection of personal information.

APPENDIX D – Privacy and Security of Residents of Massachusetts

17.04: Computer System Security Requirements

Every person that owns or licenses personal information about a resident of the Commonwealth and electronically stores or transmits such information shall include in its written, comprehensive information security program the establishment and maintenance of a security system covering its computers, including any wireless system, that, at a minimum, and to the extent technically feasible, shall have the following elements:

- (1) Secure user authentication protocols including:
 - (a) control of user IDs and other identifiers;
 - (b) a reasonably secure method of assigning and selecting passwords, or use of unique identifier technologies, such as biometrics or token devices;
 - (c) control of data security passwords to ensure that such passwords are kept in a location and/or format that does not compromise the security of the data they protect;
 - (d) restricting access to active users and active user accounts only; and
 - (e) blocking access to user identification after multiple unsuccessful attempts to gain access or the limitation placed on access for the particular system;
- (2) Secure access control measures that:
 - (a) restrict access to records and files containing personal information to those who need such information to perform their job duties; and
 - (b) assign unique identifications plus passwords, which are not vendor supplied default passwords, to each person with computer access, that are reasonably designed to maintain the integrity of the security of the access controls;
- (3) Encryption of all transmitted records and files containing personal information that will travel across public networks, and encryption of all data containing personal information to be transmitted wirelessly.
- (4) Reasonable monitoring of systems, for unauthorized use of or access to personal information;
- (5) Encryption of all personal information stored on laptops or other portable devices;
- (6) For files containing personal information on a system that is connected to the Internet, there must be reasonably up-to-date firewall protection and operating system security patches, reasonably designed to maintain the integrity of the personal information.
- (7) Reasonably up-to-date versions of system security agent software which must include malware protection and reasonably up-to-date patches and virus definitions, or a version of such software that can still be supported with up-to-date patches and virus definitions, and is set to receive the most current security updates on a regular basis.
- (8) Education and training of employees on the proper use of the computer security system and the importance of personal information security.

17.05: Compliance Deadline

- (1) Every person who owns or licenses personal information about a resident of the Commonwealth shall be in full compliance with 201 CMR 17.00 on or before March 1, 2010.

REGULATORY AUTHORITY

201 CMR 17.00: M.G.L. c. 93H

GUGGENHEIM

Certification of Compliance with Massachusetts Security Regulation – 201 CMR 17.00

Guggenheim Life and Annuity Company
10689 N. Pennsylvania, Suite 200
Indianapolis, IN 46280-0248
800-767-7749

I, _____ {NAME OF AGENT}, do hereby represent and certify to GUGGENHEIM LIFE AND ANNUITY COMPANY (“Guggenheim Life”), as follows:

- I am a duly appointed producer with Guggenheim Life who has, or intends to, submit business to the company on clients who reside in the Commonwealth of Massachusetts.
- As part of my appointment with Guggenheim Life, I have received, and reviewed, a copy of Guggenheim Life’s Business Guidelines, and have specifically reviewed Appendix D of that document, concerning Privacy and Security of Residents of Massachusetts, and the complete text of Massachusetts Regulation 201 CMR 17.00 contained therein.
- With respect to all information collected by me or in my possession as part of my business activities on behalf of Guggenheim Life, which qualifies as “Personal Information” about a resident of the Commonwealth of Massachusetts (as such term is defined in 201 CMR 17.00), I hereby certify that I have, in all respects, complied with the requirements of that Regulation in terms of establishing and maintaining a comprehensive information security program, compliant with the standards set forth in Sections 17.03 and 17.04 of that Regulation.

I understand that, by affixing my signature to this document, I am certifying to my compliance in all respects with 201 CMR 17.00 as regards any Personal Information I either own or license on residents of the Commonwealth, and agree that Guggenheim Life may rely on this certification, if required to establish its own responsibility for legal compliance with this Regulation with regard to any Personal Information submitted to Guggenheim Life by me, as its appointed producer.

Signature of Agent/Producer

Print Name

Date Signed

(This page intentionally left blank.)

BUSINESS GUIDELINES CERTIFICATION

As a representative of Guggenheim Life and Annuity Company (the “Company” or “Guggenheim”), it is important that you understand our Company’s guidelines on sales suitability, regulatory compliance and market conduct. Our Business Guidelines are designed to give you an overview of our guidelines. Agents, and the companies they represent, are being held by the public to a very high standard.

By accepting appointment with our Company, you are agreeing to be bound by the provisions of the guidelines which have been adopted by our Company. If you should have any questions about any of the material included in this guide, please feel free to call the Marketing Department at (800) 767-7749.

Please complete the information below and return this certification along with your contracting paperwork and forms.

AGENT STATEMENT: By signing below, I acknowledge that I have reviewed this document in its entirety and that I agree to be bound by the provisions contained in this document, as a condition of being appointed as an agent of the Company.



Signature of Agent

Date

Printed Name of Agent

**THE FISHER AGENCY, INC.
13140 Coit Road, Suite 102
Dallas, TX 75240**

Marketing Organization Affiliation