

# Disclosure Statement for Recommendation of an Annuity Contract

## Approved for Use In

CT and DE

## Purpose

The purpose of this disclosure form is to provide important information for the Fiduciary or IRA owner to consider in determining whether to purchase an annuity contract with Plan or IRA assets. In that regard, the information is also intended to satisfy the requirements and conditions of U.S. Department of Labor Prohibited Transaction Exemption 84-24 (“PTE 84-24”). The term “Agent” means the licensed insurance agent who is making the recommendation to purchase the annuity.

## Contract Information

These disclosures are being provided in connection with recommendations by Agent to (Agent to check one)

an IRA owner **OR**  a Plan fiduciary

to purchase an annuity contract with assets of the IRA/Plan.

The annuity contract is identified as **Nationwide New Heights 10** and the insurance company issuing the contract is **Nationwide Life Insurance Company (“Nationwide”)**.

Agent is affiliated with the insurance company whose contract is being recommended (Nationwide). Agent’s ability to recommend annuity contracts is limited by an agreement with Nationwide.

## Compensation Information

The commission to be paid to the agent by the insurance company in connection with the purchase of the recommended contract is equal to:

### Options for Annuitants Ages 0 – 70:

- 6.50% upfront
- 4.50% upfront with a 0.50% trail
- 3.50% upfront with a 0.50% trail
- 1.00% upfront with a 1.00% trail

### Options for Annuitants Ages 71 – 75:

- 6.00% upfront
- 4.50% upfront with a 0.50% trail
- 3.50% upfront with a 0.50% trail
- 1.00% upfront with a 1.00% trail

### Options for Annuitants Ages 76 – 80:

- 2.50% upfront
- 2.00% upfront with a 0.28% trail
- 1.75% upfront with a 0.28% trail
- 0.50% upfront with a 0.55% trail

Additionally, in most instances, other insurance marketers receive compensation as a result of the sale of this annuity contract.

## Contract Fees Charges

The charges, fees, discounts, penalties or adjustments which may be imposed under the recommended contract in connection with the purchase, holding, exchange, termination or sale of the contract are:

- **Sales charge:** Nationwide does not deduct a sales charge from purchase payments upon deposit into the contract. However, in some circumstances, Nationwide will deduct a contingent deferred sales charge (“CDSC”) if any amount is withdrawn from the contract. This CDSC reimburses Nationwide for sales expenses. For purposes of calculating the CDSC, surrenders are considered to come first from the oldest purchase payment, then the next oldest, etc. Earnings are not subject to CDSC but may not be distributed prior to the distribution of all purchase payments. Note for tax purposes, a surrender is treated as a withdrawal of earnings first.
- **CDSC Schedule:**

Number of Completed Years from Date of Purchase Payment	0	1	2	3	4	5	6	7	8	9	10+
CDSC Percentage	9.2%	8.9%	7.9%	7%	6%	5%	4%	3%	2%	1%	0%

## Contract Fees Charges (continued)

- **(Optional) Nationwide High Point 365® Lifetime Income Benefit Rider:** Available at contract issue; not available in conjunction with the Nationwide High Point® 365 Rider. Annual rider charge is 0.95% based on the high point income benefit base and reduces the contract value. If the Purchase Payment Bonus is elected, the rider charge increases from 0.95% to 1.25% for the life of the contract assessed quarterly and reduces the contract value.
- **(Optional) Nationwide High Point® Enhanced Death Benefit Rider:** Available at contract issue; not available in conjunction with the Nationwide High Point® Enhanced Death Benefit Rider. Annual rider charge is 0.50% based on the high point death benefit value, assessed quarterly and reduces the contract value. If the Purchase Payment Bonus is elected, the rider charge increases from 0.50% to 0.80% assessed quarterly and reduces the contract value.
- **Premium tax:** Nationwide will charge against the contract value any premium taxes levied by a state or other governmental entity. These charges will be assessed at the time Nationwide is assessed the premium taxes by the state. Requirements may vary from state to state and are subject to change.

## Conflicts of Interest

The following are material conflicts of interest relevant to the services provided by, and actions taken by, Agent in relation to the investment decision:

- **Payment of commission:** Nationwide pays Agent a commission at the time you make your purchase payment(s). If you do not purchase the annuity, no commission will be paid to Agent (or to any other person or entity).
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

## Agent Representations

Agent hereby represents and acknowledges the following:

- In making the recommendation to purchase the annuity contract, Agent is acting in the Best Interest (within the meaning of PTE 84-24) of the Plan/IRA owner at the time of the recommendation.
- The recommendation to purchase the annuity contract and ensuing purchase of the contract are in the ordinary course of Agent's business.
- The purchase of the annuity contract is an equitable and arm's length transaction.
- The combined total of all fees and compensation received by the Agent and Nationwide for their services does not exceed reasonable compensation (within the meaning of the Employee Retirement Income Security Act section 408(b)(2) and Internal Revenue Code section 4975(d)(2)).

## Ongoing Monitoring

Agent is not undertaking the responsibility to provide monitoring of Nationwide or other matters related to the recommendation, its ongoing prudence, any changes or outcomes, or any other matter associated with, but subsequent to, the recommendation.

### Disclosed and agreed by Agent:

Full Name (please print): \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Acknowledgment by Fiduciary (to be completed only if recommendation is to a Plan fiduciary)**

The undersigned represents and acknowledges that he/she:

- is a fiduciary of the Plan;
- is independent of the insurance company;
- is not an insurance agent or broker, pension consultant or insurance company involved in the transaction;
- has received the foregoing information;
- approves the purchase of the **Nationwide New Heights 10** annuity contract on behalf of the Plan; and
- will not receive, directly or indirectly (e.g., through any affiliate), any compensation or other consideration for the undersigned's own personal account from any party dealing with the plan in connection with the transaction.

**Received, approved and agreed by the undersigned Fiduciary:**

Name of Plan: \_\_\_\_\_

Full Name (please print): \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Agreed and approved by the insured:**

Full Name (please print): \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Acknowledgment by IRA Owner (to be completed only if recommendation is to an IRA owner)**

The undersigned represents and acknowledges that he/she:

- is the IRA owner;
- has received the foregoing information; and
- approves the purchase of the **Nationwide New Heights 10** annuity contract on behalf of the IRA.

**Received, approved and agreed by the IRA owner:**

Full Name (please print): \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_