APPLICATION - SINGLE PREMIUM DEFERRED ANNUITY

Mountain Life
Insurance Company

MOUNTAIN LIFE INSURANCE COMPANY

Home Office Address: 2416 Sir Barton Way Suite 110, Lexington, KY 40509 Telephone: 1-800-888-6542
(also referred to as "the Company")

1. Annuitant (Joint Annuitants are not permitted):

First Name	Initial	Last Name		Suffix
Social Security Number/Tax ID	Birthdate (MM/DD/YYYY)			Gender ☐ M ☐ F
Telephone	Relationship to Proposed Owner ☐ Spouse ☐ Other ____________			
Residence Address (Cannot be a PO Box)		City	State	Zip
Mailing Address (If different)		City	State	Zip
Email				

2. Owner (If Other Than Annuitant):

Individual or Trustee First Name		Initial	Last Name		Suffix
Company or Trust Name					
Social Security Number/Tax ID	Birthdate (MM/DD/YYYY)	Gender ☐ M ☐ F	Relationship to Proposed Annuitant ☐ Spouse ☐ Other ____________		
Residence Address (Cannot be a PO Box)			City	State	Zip
Mailing Address (If different)			City	State	Zip
US Citizen ☐ Yes ☐ No	Country of Citizenship		Telephone (Required)		
Government Issued Photo ID: Driver's License ____________ Passport ____________ Other ____________			State or Country of Issue		
Email					

3. Joint Owner (non-qualified contracts or those owned by natural entities (person) only.):

Individual or Trustee First Name		Initial	Last Name		Suffix
Company or Trust Name					
Social Security Number/Tax ID	Birthdate (MM/DD/YYYY)	Gender ☐ M ☐ F	Relationship to Proposed Annuitant ☐ Spouse ☐ Other ____________		
Residence Address (Cannot be a PO Box)			City	State	Zip
Mailing Address (If different)			City	State	Zip
US Citizen ☐ Yes ☐ No	Country of Citizenship		Telephone (Required)		
Government Issued Photo ID: Driver's License ____________ Passport ____________ Other ____________			State or Country of Issue		
Email					

4A. Plan Applied For (Please Check One):

☐ SECURE SUMMIT 2	☐ SECURE SUMMIT 3	☐ SECURE SUMMIT 5	☐ SECURE SUMMIT 7	☐ SECURE SUMMIT 10

4B. Optional Riders Applied For:

☐ 10% Free Withdrawal Rider	☐ RMD Free Withdrawal Rider (Qual. Plans)	

5. Beneficiaries: If joint owners are named, on the death of either joint owner the surviving joint owner will become the sole primary beneficiary, and the beneficiaries listed below will be considered contingent beneficiaries (unless otherwise requested in the Special Requests section).

Primary	%	Relationship	SSN/TIN	Gender ☐ Male ☐ Female
Primary	%	Relationship	SSN/TIN	Gender ☐ Male ☐ Female
Primary	%	Relationship	SSN/TIN	Gender ☐ Male ☐ Female

Contingent	%	Relationship	SSN/TIN	Gender ☐ Male ☐ Female
Contingent	%	Relationship	SSN/TIN	Gender ☐ Male ☐ Female
Contingent	%	Relationship	SSN/TIN	Gender ☐ Male ☐ Female

6. Premium and Tax Qualification Status:

- Amount paid with application $______________________________
- If a 1035 Exchange, Rollover or Transfer is occurring, the expected premium amount is $________________

Non-Qualified ☐

IRA (Select only one): ☐ Traditional ☐ Roth ☐ SEP

Inherited IRA* (Select only one): ☐ Traditional ☐ Roth

For Qualified Plans, select all that apply:

Contribution Year_______________	☐ Direct Transfer**	☐ Rollover***

If inherited IRA selected above, list Decedent name: _____________________________________

Relationship to proposed Annuitant: ☐ Spouse ☐ Other: _______________	Date of Birth (MM/DD/YYYY)	Date of Death (MM/DD/YYYY)

* The Company will accept applications for a spouse Inherited IRA and trust owned Inherited IRA for trusts that qualify as a see-through trust where the sole trust beneficiary is the spouse. The Company won't accept applications for non-spouse Inherited IRAs.
** Please complete a separate transfer form and replacement form for each account.
*** I understand that, except for Roth Conversions, I can make only one rollover from an IRA (including a Traditional IRA, Roth IRA, or SEP IRA) to an IRA in any 1-year period, regardless of the number of IRAs I own.

7. Owner Replacement Questions (Required)

(1) Do you have any existing life insurance policies or annuity contracts with the Company or any other insurance company? ☐ **Yes** ☐ **No**

(2) Is this Application intended to replace or change any life insurance or annuity contract with the Company or any other insurance company? ☐ **Yes** ☐ **No**

- Change means causing a policy or contract to lapse, surrender (in whole or part), forfeit, terminate, convert to reduce paid up or continue as extend term insurance, reduce in value by borrowing against it or change the term or coverage benefits

Company Name of Policy/Contract being replaced:	Policy/Contract Number:

If "Yes", please sign the required Replacement form.

8. Application Completed At:

Application is hereby made for the Annuity described herein. The foregoing statements are correct to the best knowledge and belief of the person(s) signing this application. It is agreed that such statements shall form the basis of an Annuity issued by the Company and that such Annuity, together with this application, shall constitute the entire contract between the company and the person(s) signing this application. A 10% IRS penalty may apply on amounts withdrawn before the owner reaches age 59½. If the Annuity for which application is being made is a Market Value Adjusted fixed annuity, the person(s) signing this application understand that withdrawals from the Annuity may be subject to a market value adjustment in addition to any applicable surrender charges.

Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

Signed at (city and state)

Signature of Owner	Signature of Joint Owner (if any)
Date	Date

9. Agent's Report:

Do you have knowledge or reason to believe that replacement of existing life insurance policies or annuity contracts may be involved? ☐ Yes ☐ No

If "Yes", please sign the required Replacement form.

Agent Name (Please Print)	Agent Number
Signature of Agent	State License Number if Required

Additional Acknowledgements & Notice

IRS CERTIFICATION

Under penalties of perjury, I certify that: (1.) The Social Security Number or Taxpayer Identification Number shown on this form is correct, and (2.) I am not subject to backup withholding as a result of either being exempt from backup withholding, or not being notified by the IRS of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding, and (3.) I am a U.S. citizen or other U.S. person (including a U.S. resident alien), and (4.) I am exempt from FATCA reporting. (Cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends.)

The IRS does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

COPY FRAUD NOTICE: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

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SINGLE PREMIUM DEFERRED ANNUITY CONTRACT DISCLOSURE

Please check the appropriate box: ☐ Qualified Annuity ☐ Non-qualified Annuity

Please check the Initial Interest Rate Period: ☐ 2 years ☐ 3 years ☐ 5 years ☐ 7 years ☐ 10 years

The SPDA is an individual single-premium deferred annuity. You purchase the annuity with one premium payment. This contract includes a series of multi-year interest rates guaranteed for the duration of the guarantee periods. Under current tax law: (a) the principal and earnings are not subject to income taxes until funds are withdrawn or distributed; and (b) a 10% IRS early-withdrawal penalty may apply to withdrawals or distributions prior to age 59½. Tax law is subject to change. Please consult your financial or tax professional for any exceptions to the early-withdrawal penalty.

The main purposes of a deferred annuity are: (a) to save money for retirement; and (b) to receive retirement income for life. It is not meant for short-term financial goals.

THE ANNUITY CONTRACT. *How will my annuity grow?*

Annuity. An annuity allows you to pay a premium for the Contract and interest will be earned on a tax-deferred basis. The premium and interest earnings are not subject to income taxes until the funds are withdrawn or distributed.

Issue Age. The SPDA will be issued to Owners age 18-90 and Annuitants age 0-90.

Contract Effective Date. The contract effective date is the date premium is received in Mountain Life's home office. The effective date is shown on the Contract Schedule.

Premium. The SPDA may be established with an initial premium of $5,000 to $1,000,000 (or more with prior home-office approval).

Interest Rates. The initial premium will receive the interest rate in effect as of the date the application and premium are received in the home office. In order to qualify for this rate, the application must be received in our home office within seven calendar days of the signature date and the premium must be paid within seven calendar days for cash payments and 45 days for transfer and rollover payments.

Premium payments are credited with a guaranteed interest rate for the Initial Interest Rate Period shown above. Thereafter, the Accumulation Value will be credited with renewal interest rates based on the current economic and interest rate environment. The interest rate will never be less than the guaranteed minimum interest rate (GMIR).

Annuity Values. The Accumulation Value is the amount available to provide annuity benefit payments and death benefits. The Accumulation Value is: (a) premium plus credited interest; minus (b) amounts surrendered, including surrender charges and associated market value adjustments. The Cash Value is: (a) the Accumulation Value; minus (b) surrender charges. The Cash Surrender Value is the amount available to provide surrender benefits. The Cash Surrender Value is: (a) the Cash Value; plus or minus (b) any associated market value adjustment.

Safety and Guarantees. Mountain Life guarantees that the Owner will never receive less than: (a) 87½% of the total premium payments, net of any withdrawals; accumulated at (b) an annual interest rate no less than 1.00%.

SURRENDER BENEFITS. *May I take money out of my annuity?*

You may take money out of your annuity any time before annuity benefit payments begin. You may take out all of your annuity's Cash Surrender Value (**full surrender**) or part of it (**partial surrender**). At least $2,000 must remain in the annuity for the Contract to remain in force. A 10% IRS penalty may apply to withdrawals made before you reach age 59½.

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Initial Surrender Charge Period. A surrender charge will be assessed on amounts you withdraw during the Surrender Charge Period, as follows:

Contract Year		1	2	3	4	5	6	7	8	9	10
Surrender Charge Period	2 Years	9.0%	8.0%								
	3 Years	9.0%	8.0%	7.0%							
	5 Years	9.0%	8.0%	7.0%	6.0%	5.0%					
	7 Years	9.0%	8.0%	7.0%	6.0%	5.0%	4.5%	3.5%			
	10 Years	9.0%	8.0%	7.0%	6.0%	5.0%	4.5%	3.5%	2.5%	1.5%	0.5%

Example: If you withdrew $10,000 during the first contract year, a 9.0% surrender charge would apply. $10,000 x 0.0900 = $900. A $900 surrender charge would be deducted from the $10,000 withdrawal amount, i.e. $10,000 - $900 = $9,100. The resulting $9,100 is then subject to a market value adjustment.

Subsequent Surrender Charge Period(s). There are no surrender charges during the first 30 days of each subsequent Surrender Charge Period. During those 30 days, you may choose one of the following options:

1. Continue your Contract and apply the current Accumulation Value to a subsequent Surrender Charge Period equal to your current Surrender Charge Period. The new Interest Rate Guarantee Period will be through the end of your subsequent Surrender Charge Period.
2. Begin payment of the Accumulation Value under a payment option without a surrender charge or market value adjustment.
3. Make a partial surrender without a surrender charge or market value adjustment and apply the remaining Accumulation Value to a subsequent Surrender Charge Period equal to your current Surrender Charge Period. The new Interest Rate Guarantee Period will be through the end of your subsequent Surrender Charge Period.
4. Surrender your Contract without a surrender charge or market value adjustment.
5. Continue your Contract or make a partial surrender without a Surrender Charge or Market Value Adjustment and apply the remaining Accumulation Value to the Contract with a one-year interest rate guarantee period. Surrender Charges and Market Value Adjustments will no longer apply, and the one-year interest rate guarantee period will automatically renew each year.

If you do not make a choice during that 30-day period, option 1 above automatically becomes effective with a subsequent Surrender Charge Period equal to your current Surrender Charge Period. We will provide you with written notice of your options at least 30 days but not more than 45 days before each subsequent Surrender Charge Period.

Market Value Adjustment. The SPDA includes a market value adjustment feature. During each Surrender Charge Period, any amount surrendered is subject to a market value adjustment (MVA). The MVA may increase or decrease the amounts payable. Generally, if interest rates rise after the beginning of the current Surrender Charge Period, the MVA will decrease the Cash Surrender Value; and, if interest rates fall, the MVA will increase the Cash Surrender Value. The MVA is waived for any surrender or benefit payment for which surrender charges are waived.

Example. The following example shows the effective combination of surrender charges and the MVA upon an early surrender during the initial Surrender Charge Period when the MVA index rates increase or decrease. The example below assumes the index is 3.00% as of the Contract Effective Date, then either rises to 5.00% or drops to 1.00%. This is for example purposes only. Actual results may vary and depend upon a variety of factors, as described in the Market Value Adjustment rider.

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7-Year Surrender Charge Period

End of Surrender Charge Period Year	1	2	3	4	5	6	7
Unchanged at 3.00%	9.00%	8.00%	7.00%	6.00%	5.00%	4.50%	3.50%
Increased to 5.00%	19.90%	17.17%	14.40%	11.61%	8.77%	6.40%	3.50%
Decreased to 1.00%	-3.49%	-2.30%	-1.16%	-0.06%	1.00%	2.52%	3.50%

5-Year Surrender Charge Period

End of Surrender Charge Period Year	1	2	3	4	5
Unchanged at 3.00%	9.00%	8.00%	7.00%	6.00%	5.00%
Increased to 5.00%	16.40%	13.61%	10.77%	7.90%	5.00%
Decreased to 1.00%	0.84%	1.94%	3.00%	4.02%	5.00%

3-Year Surrender Charge Period

End of Surrender Charge Period Year	1	2	3
Unchanged at 3.00%	9.00%	8.00%	7.00%
Increased to 5.00%	12.77%	9.90%	7.00%
Decreased to 1.00%	5.00%	6.02%	7.00%

ANNUITY BENEFITS. *What annuity benefit payment options are available?*

Maturity Date. The Maturity Date is the Contract Anniversary coinciding with or next following the date of the annuitant's 100th birthday. The Contract will automatically Annuitize and begin its payout phase, unless otherwise directed. The Contract may be Annuitized at any time after the first Contract Year.

Payout Options. You may choose from the following payment options:

Life Income Only – Equal monthly payments for the Annuitant's lifetime. There is no death benefit for this option.

Certain Period – A guaranteed income for your chosen time period between 5 and 30 years.

Life Income with Certain Period – A guaranteed income for the longer of the Annuitant's remaining lifetime or the period certain.

If a payment option is not chosen, we will automatically pay under the life income with a 120-months certain period payment option.

Annuity Benefit Payments. The Contract may not be surrendered once annuity benefit payments have begun.

ACCESSING FUNDS. *Are there ways to access funds without incurring a surrender charge?*

Your annuity offers a number of ways to access funds without incurring a surrender charge. There are no surrender charges associated with the following options, but an IRS early-withdrawal penalty may apply to withdrawals before you reach age 59½.

- Free Partial Withdrawal: After the first contract year, any surrender charge and market value adjustment is waived for the first withdrawal, up to a maximum of 5% of the Accumulation Value as of the previous contract anniversary.
- Surrenders occurring during the first 30 days of each subsequent Surrender Charge Period.
- Annuitization.
- Out of surrender charge period withdrawals.

Additional free withdrawal options are available under the following Riders:

- **Penalty Free Withdrawal Rider** - Provides a penalty free withdrawal if the contract owner is terminally ill or confined to a nursing home.
- **10% Free Withdrawal Rider** - Increases the maximum withdrawal to 10% after the first contract year. This is an optional feature available for your election at the time of application. The crediting rate is reduced when this rider is elected.
- **Free Withdrawal Rider - Required Minimum Distribution** - provides a penalty free withdrawal for the greater of required minimum distributions or 10 percent of the Accumulation Value. This is an optional feature available for your election at the time of application. The crediting rate is reduced when this rider is elected.

DEATH BENEFITS. *What happens if I die?*

The Death Benefit is paid to the Beneficiary if the Owner or the Annuitant dies before the Maturity Date. The Death Benefit is based on the Accumulation Value as of the date of death. If the deceased Owner's surviving Beneficiary is the deceased Owner's spouse as recognized under federal law, that spouse does not need to have Death Benefits paid. Rather, that spouse may continue the Contract as though that spouse were the original owner.

ADVANTAGES OF TAX DEFERRAL UNDER CURRENT TAX LAW. *How will payouts and withdrawals from my annuity be taxed?*

Your annuity grows tax deferred. Taxes will be due only when withdrawals or distributions are paid from the annuity. An IRS early-withdrawal penalty may also apply to payouts and withdrawals paid before you reach age 59½. There are no additional tax advantages to purchasing an annuity as part of a qualified plan other than those provided by the qualified plan itself. Please consult your broker or financial advisor.

OTHER INFORMATION. *What else do I need to know about my annuity?*

Free Look. You have 30 days to look over the Contract. You may return the Contract to the agent who sold it or to our home office within those 30 days. Any premium paid will be refunded, less any benefits paid. The Contract will be void and considered never in force.

Commission. We pay a commission to the agent, broker or firm selling you the annuity.

OWNER ACKNOWLEDGEMENT

I understand the SPDA product features to the extent summarized in this disclosure. I understand that the Contract is intended as a long-term savings vehicle and, as such, may have substantial penalties for early surrenders. I understand and acknowledge that Mountain Life does not offer legal, financial, tax, investment or estate planning advice. I affirm that I have sought such advice from the proper sources before purchasing the Contract. I acknowledge and represent that the purchase of this annuity meets the financial purpose for which it is purchased given my particular legal, financial, tax, investment, estate planning or other goals or circumstances. I further understand that annuities are not: (a) insured by the FDIC or any federal government agency; (b) deposits of or guaranteed by any bank or credit union; (c) provision or conditions of any bank or credit union activity. Some annuities are subject to investment risk and may lose value. I certify that: (a) I have read and understand the SPDA product brochure, the application and this disclosure statement; (b) I have retained a copy of all solicitation materials and this disclosure used during the course of the sale; and (c) I understand that this disclosure is not part of the Contract.

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(Owner Signature) (Date - mm/dd/yyyy)

(Owner Printed/Typed Name)

Signed at: ______________________________ Email Address: ________________________
(City, State)

(Joint Owner Signature, if any) (Date – mm/dd/yyyy)

(Joint Owner Printed/Typed Name)

Signed at: ______________________________ Email Address: ________________________
(City, State)

(Annuitant Signature, if other than Owner) (Date - mm/dd/yyyy)

(Annuitant Printed/Typed Name)

Signed at: ______________________________ Email Address: ________________________
(City, State)

AGENT ACKNOWLEDGEMENT

I have provided the applicant(s) with the consumer materials used during the course of the sales presentation, the application and the SPDA disclosure document. I have informed the applicant(s) of the various features of the SPDA. I certify that given the information provided to me by the applicant(s), I believe to the best of my knowledge and belief that the SPDA meets the applicant's financial purpose for which it is purchased given the applicant's particular legal, financial, tax, investment, estate planning or other goals or circumstances I further certify that I have made no statements, representations or promises about product features and future rate performance that are in any way inconsistent with those materials.

(Agent Signature) (Date - mm/dd/yyyy)

(Agent Printed/Typed Name)

Signed at: ______________________________ Email Address: ________________________
(City, State)

Contract(s): ICC23-MLIC-SPDA;
Riders: ICC23-10FWR, ICC23-MVAR, ICC23-PBR, ICC23-PFWR, ICC23-FRMD

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INSURANCE AGENT DISCLOSURE FOR ANNUITIES

Do Not Sign Unless You Have Read and Understand the Information in this Form

Date: ______________________

INSURANCE AGENT INFORMATION ("Me", "I", "My").

First Name: ____________________________________ Last Name: ______________________________

Business/Agency Name: ___________________________ Website: _________________________________

Business Mailing Address: ____

Business Telephone Number: ___________ Email Address: _______________________________________

National Producer Number: ______________________________ In the State of: ______________________

CUSTOMER INFORMATION ("You", "Your")

First Name: ____________________________________ Last Name: ______________________________

What Types of Products Can I Sell You?

I am licensed to sell annuities to You in accordance with state law. **If I recommend that You buy an annuity, it means I believe that it effectively meets Your financial situation, insurance needs, and financial objectives. Other financial products, such as life insurance or stocks, bonds and mutual funds may also meet Your needs**.

I offer the following products:

- ☐ Fixed or Fixed Indexed Annuities
- ☐ Variable Annuities
- ☐ Life Insurance

I need a separate license to provide advice about or to sell non-insurance financial products. I have checked below any non-insurance financial products that I am licensed and authorized to provide advice about or to sell.

- ☐ Mutual Funds
- ☐ Stocks/Bonds
- ☐ Certificates of Deposits

Whose Annuities Can I Sell to You?

- ☐ Annuities from Only One (1) Insurer
- ☐ Annuities from Two or More Insurers although I primarily sell annuities from: ______________________
- ☐ Annuities from Two or More Insurers

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How I'm Paid for My Work?

It's important for You to understand how I'm paid for my work. Depending on the particular annuity You purchase, I may be paid a commission or a fee. Commissions are generally paid to Me by the insurance company, while fees are generally paid to Me by the consumer. If You have questions about how I'm paid, please ask Me.

Depending on the particular annuity You buy, I will or may be paid cash compensation as follows:

- ☐ Commission, which is usually paid by the insurance company or other sources. If other sources, describe:

  ____

- ☐ Fees (such as a fixed amount, an hourly rate, or a percentage of your payment), which are usually paid directly by the customer.
- ☐ Other (Describe): ____

I may also receive other indirect compensation resulting from this transaction (sometimes called "non-cash" compensation) such as health or retirement benefits, office rent and support, or other incentives from the insurance company or other sources.

By signing below, You acknowledge that You have read and understand the information provided to You in this document.

Customer Signature: ____ Date: ______________________

Agent Signature: ____ Date: ______________________

Agent: Return this signed disclosure together with the application and leave a copy with the applicant. Keep a copy for your records.

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SUITABILITY QUESTIONNAIRE

Owner Information	
Name: Last ______________ First ______________ Middle ______________	
Date of Birth ____/____/____ Age ________ Sex ________ ______________	
Tax Bracket Relationship to Annuitant	
Source of Income:	
Annual Income:	
Joint Owner Information	
Name: Last ______________ First ______________ Middle ______________	
Date of Birth ____/____/____ Age ________ Sex ________ ______________	
Tax Bracket Relationship to Annuitant	
Source of Income:	
Annual Income:	
Financial Profile Information	
Estimated Gross Monthly Household Income:	$
Provide a breakdown of your monthly income by income type: Employment: $ Social Security: $ Investments: $ Retirement: $ Pension: $ Other (describe):__________ $	
Estimated Monthly Household Expenses:	$
Monthly Disposable Income:	$
Existing Assets:(such as bank Estimated accounts, stocks/bonds/mutual funds)	$
Existing Liquid Net Worth:	$
Do you currently own any annuities? Please list:	☐ Yes ☐ No
Do you currently own life insurance? Please list:	☐ Yes ☐ No
Does your income cover all your living expenses including medical?	☐ Yes ☐ No
Do you expect changes to your living expenses?	☐ Yes ☐ No
Do you anticipate changes in your out-of-pocket medical expenses?	☐ Yes ☐ No
Is your income sufficient to cover future changes in your living and/or out-of-pocket medical expenses during the surrender charge period?	☐ Yes ☐ No
Do you have an emergency fund for unexpected expenses?	☐ Yes ☐ No
Do you have a Reverse Mortgage or plan to take one in the next 12 months?	☐ Yes ☐ No
What is your current living arrangement? ☐ Own ☐ Rent ☐ Nursing Home ☐ Assisted Living Facility ☐ Other	Monthly Cost of living arrangement: $

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Why are you purchasing this annuity? ____________________

What are your financial objectives for this purchase? (Check all that apply)

☐ Income ☐ Growth (long term) ☐ Safety of Principal and Income
☐ Safety of Principal and Growth ☐ Pass assets to beneficiary(ies) at death
☐ Other

Describe your risk tolerance (Check all that apply)

☐ Conservative ☐ Moderately Conservative ☐ Moderate
☐ Moderately Aggressive ☐ Aggressive
☐ Other (Comments) ____________________

Investment Experience (type and length of time): ____________________

Source of Funds for Purchase: ____________________

How many years from today will you need access to your funds without a penalty? ____________________

Will the proposed annuity replace any product? ☐ Yes ☐ No

If yes, complete the following:

How long has the life insurance or annuity been inforce? ________ Years

Will you pay a penalty or other charge to obtain these funds? ☐ Yes ☐ No

What is the amount of the charge or penalty to obtain the funds? $ ____________________

Describe any benefits or bonus lost due to the replacement? ____________________

Additional Information:

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Acknowledgement

I/We acknowledge that I/We are aware of the following with regard to the purchase of this annuity:

- I am purchasing a ____________________(product name) annuity.
- The surrender charge period is ___ years, and any withdrawal during this time may be subject to penalties.
- The surrender charge percentage is ___% in the first year and ___% in the last year of the surrender charge period.
- Any withdrawals could be subject to a market value adjustment ☐ Yes ☐ No.
- There are potential tax penalties associated with a withdrawal of income from this annuity prior to age 59 ½ ☐ Yes ☐ No.

I understand (please select one of the following):

☐ I am buying an annuity recommended by my agent

☐ I am buying an annuity but my agent did NOT recommend that I buy it. I understand that, by buying without a recommendation, I may lose protections under the Insurance Code of my state.*

Please select one of the following to allow the insurance company to better understand the information you have provided:

☐ I have REFUSED to provide my agent or the company with any information needed to decide if the annuity effectively meets my needs, objectives, and situation. I understand that I may lose protections under the Insurance Code of my state if I provide incomplete or inaccurate information. **

☐ I have provided my agent or the company with LIMITED information needed to decide if the annuity effectively meets my needs, objectives, and situation. I understand that I may lose protections under the Insurance Code of my state if I provide incomplete or inaccurate information. **

☐ I have provided my agent or the company with ALL the information needed to decide if the annuity effectively meets my needs, objectives, and situation.

* If selected, complete form ML-AS-NOREC (0124)
** If selected, complete form ML-AS-CONREF (0124)

____
Signed at (City/State)

______________________________ ______________________________
Proposed Owner's Signature Date Signed

______________________________ ______________________________
Proposed Joint Owner's Signature Date Signed

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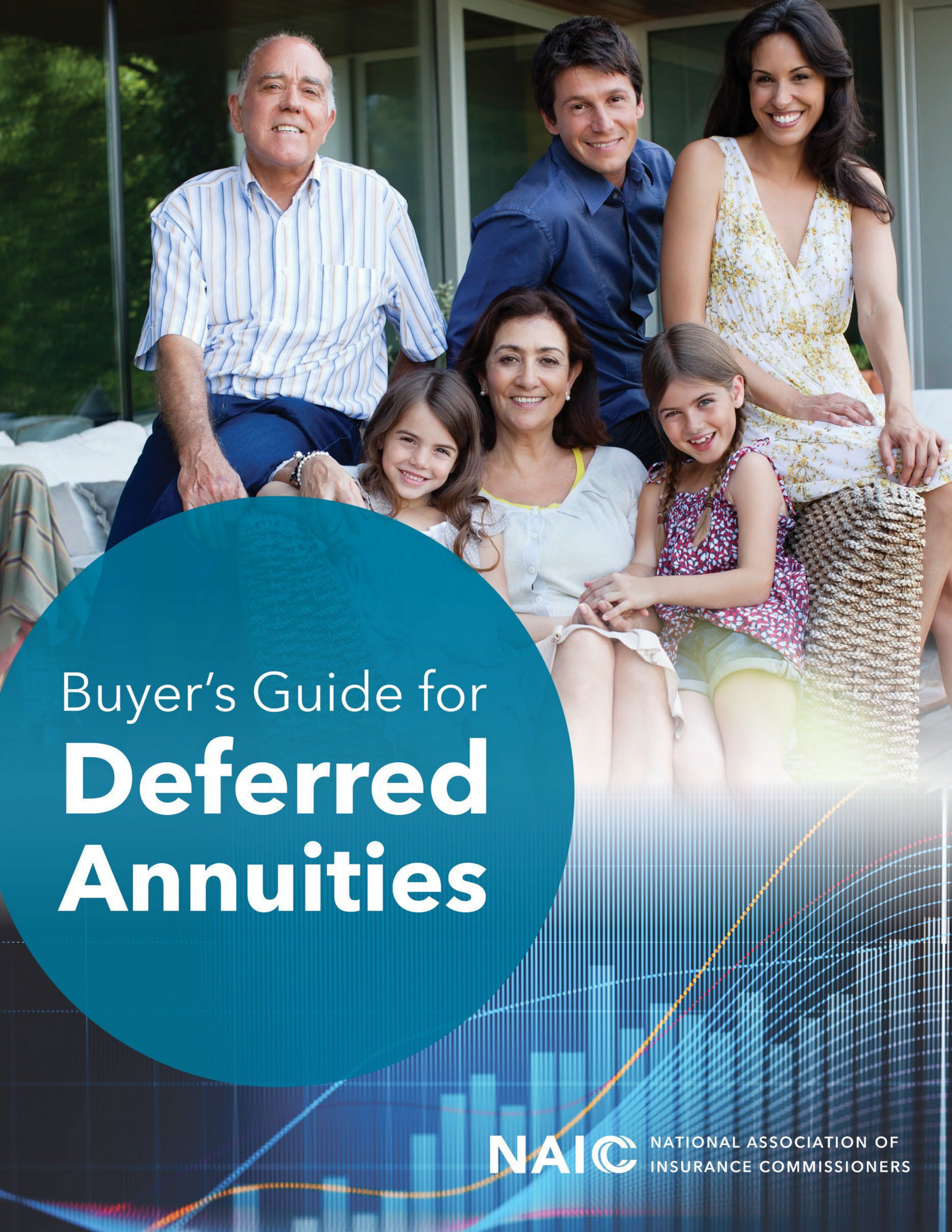
Note: The following three sections to be completed by the agent proposing purchase. Each section requires a response. No section may be left blank or contain a response consisting of "None" or "N/A".

Agent's Acknowledgement

Based on the facts disclosed by the proposed owner, I have reasonable grounds for believing that the recommendation for the purchase or exchange of the product is suitable. I agree to maintain the information collected and used as a basis for this recommendation for a period of at least five (5) years and make it available upon request to the Company or the insurance commissioner.

During the solicitation of this product, I ☐did ☐did not (select one) use any sales materials other than the pre-printed product brochures and other material provided by the Company. I certify that the applicant was given a copy of the applicable product brochure and disclosure form. I have attached to this form any and all supplementary information used in the solicitation of this product.

______________________________ ____________________
Agent Signature Date Signed



Buyer's Guide for **Deferred Annuities**

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Prepared by the

NAIC
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

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Mountain Life Insurance Company
2416 Sir Barton Way Suite 110
Lexington, KY 40509
Phone: 800-888-6542
Fax: 859-335-0307
contact@mountainlife.com www.mountainlife.com

NAIC BUYER'S GUIDE FOR DEFERRED ANNUITIES

It's important that you understand how annuities can be different from each other so you can choose the type of annuity that's best for you. The purpose of this Buyer's Guide is to help you do that. This Buyer's Guide isn't meant to offer legal, financial, or tax advice. You may want to consult independent advisors that specialize in these areas.

This Buyer's Guide is about deferred annuities in general and some of their most common features. It's not about any particular annuity product. The annuity you select may have unique features this Guide doesn't describe. It's important for you to carefully read the material you're given or ask your annuity salesperson, especially if you're interested in a particular annuity or specific annuity features.

This Buyer's Guide includes questions you should ask the insurance company or the annuity salesperson (the agent, producer, broker, or advisor). Be sure you're satisfied with the answers before you buy an annuity.

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NAIC Executive Office
444 North Capitol Street NW Suite 701
Washington, DC 20001-1509
202.471.3990

NAIC Central Office
1100 Walnut Street
Suite 1500
Kansas City, MO 64106-2197
816.842.3600

NAIC Capital Markets & Investment Analysis Office
One New York Plaza, Suite 4210
New York, NY 10004
212.398.9000

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WHAT IS AN ANNUITY?

An annuity is a contract with an insurance company. All annuities have one feature in common, and it makes annuities different from other financial products. *With an annuity, the insurance company promises to pay you income on a regular basis for a period of time you choose*—including the rest of your life.

When Annuities Start to Make Income Payments

Some annuities begin paying income to you soon after you buy it (an **immediate** annuity). Others begin at some later date you choose (a **deferred** annuity).

How Deferred Annuities Are Alike

There are ways that *most* deferred annuities are alike.

- They have an **accumulation** period and a **payout** period. During the accumulation period, the value of your annuity changes based on the type of annuity. During the payout period, the annuity makes income payments to you.
- They offer a basic death benefit. If you die during the accumulation period, a deferred annuity with a basic death benefit pays some or all of the annuity's value to your survivors (called beneficiaries) either in one payment or multiple payments over time. The amount is usually the greater of the annuity account value or the minimum guaranteed surrender value. If you die after you begin to receive income payments (**annuitize**), your chosen survivors may not receive anything *unless*: 1) your annuity guarantees to pay out at least as much as you paid into the annuity, or 2) you chose a payout option that continues to make payments after your death. For an extra cost, you may be able to choose enhanced death benefits that increase the value of the basic death benefit.
- You usually have to pay a charge (called a **surrender** or **withdrawal charge**) if you take some or all of your money out too early (usually before a set time period ends). Some annuities may not charge if you withdraw small amounts (for example, 10% or less of the account value) each year.
- Any money your annuity earns is **tax deferred**. That means you won't pay income tax on earnings until you take them out of the annuity.
- You can add features (called **riders**) to many annuities, usually at an extra cost.
- An annuity salesperson must be licensed by your state insurance department. A person selling a variable annuity also must be registered with FINRA[1] as a representative of a broker/dealer that's a FINRA member. In some states, the state securities department also must license a person selling a variable annuity.

> Sources of Information
>
> **Contract**: The legal document between you and the insurance company that binds both of you to the terms of the agreement.

[1] FINRA (Financial Industry Regulatory Authority) regulates the companies and salespeople who sell variable annuities.

Disclosure: A document that describes the key features of your annuity, including what is guaranteed and what isn't, and your annuity's fees and charges. If you buy a variable annuity, you'll receive a prospectus that includes detailed information about investment objectives, risks, charges, and expenses.

Illustration: A personalized document that shows how your annuity features might work. Ask what is guaranteed and what isn't and what assumptions were made to create the illustration.

- Insurance companies sell annuities. You want to buy from an insurance company that's financially sound. There are various ways you can research an insurance company's financial strength. You can visit the insurance company's website or ask your annuity salesperson for more information. You also can review an insurance company's rating from an independent rating agency. Four main firms currently rate insurance companies. They are A.M. Best Company, Standard and Poor's Corporation, Moody's Investors Service, and Fitch Ratings. Your insurance department may have more information about insurance companies. An easy way to find contact information for your insurance department is to visit www.naic.org and click on "**States and Jurisdictions Map.**"
- Insurance companies usually pay the annuity salesperson after the sale, but the payment doesn't reduce the amount you pay into the annuity. You can ask your salesperson how they earn money from the sale.

How Deferred Annuities Are Different

There are differences among deferred annuities. Some of the differences are:

- Whether you pay for the annuity with one or more than one payment (called a **premium**).
- The types and amounts of the **fees**, **charges**, and **adjustments**. While almost all annuities have *some* fees and charges that could reduce your account value, the types and amounts can be different among annuities. *Read the Fees, Charges, and Adjustments section in this Buyer's Guide for more information.*
- Whether the annuity is a **fixed** annuity or a **variable** annuity. How the value of an annuity changes is different depending on whether the annuity is fixed or variable.
  Fixed annuities guarantee your money will earn at least a minimum interest rate. Fixed annuities may earn interest at a rate higher than the minimum but only the minimum rate is guaranteed. The insurance company sets the rates.
  Fixed indexed annuities are a type of fixed annuity that earns interest based on changes in a market index, which measures how the market or part of the market performs. The interest rate is guaranteed to never be less than zero, even if the market goes down.
  Variable annuities earn investment returns based on the performance of the investment portfolios, known as "subaccounts," where you choose to put your money. The return earned in a variable annuity isn't guaranteed. The value of the subaccounts you choose could go up or down. If they go up, you could make money. But, if the value of these subaccounts goes down, you could lose money. Also, income payments to you could be less than you expected.
- Some annuities offer a **premium bonus**, which usually is a lump sum amount the insurance company adds to your annuity when you buy it or when you add money. It's usually a set percentage of the amount you put into the annuity. Other annuities offer an **interest bonus**, which is an amount the insurance company adds to your annuity when you earn interest. It's usually a set percentage of the interest earned. You may not be able to withdraw some or all of your premium bonus for a set period of time. *Also, you could lose the bonus if you take some or all of the money out of your annuity within a set period of time.*

HOW DOES THE VALUE OF A DEFERRED ANNUITY CHANGE?

Fixed Annuities

Money in a fixed deferred annuity earns interest at a rate the insurer sets. The rate is **fixed** (won't change) for some period, usually a year. After that rate period ends, the insurance company will set another fixed interest rate for the next rate period. That rate could be higher or lower than the earlier rate.

Fixed deferred annuities do have a guaranteed minimum interest rate—the lowest rate the annuity can earn. It's stated in your contract and disclosure and can't change as long as you own the annuity. Ask about:

- The *initial interest* rate – What is the rate? How long until it will change?
- The *renewal interest* rate – When will it be announced? How will the insurance company tell you what the new rate will be?

Fixed Indexed Annuities

Money in a fixed indexed annuity earns interest based on changes in an index. Some indexes are measures of how the overall financial markets perform (such as the S&P 500 Index or Dow Jones Industrial Average) during a set period of time (called the **index term**).

Others measure how a specific financial market performs (such as the Nasdaq) during the term. The insurance company uses a formula to determine how a change in the index affects the amount of interest to add to your annuity at the *end of each index term*. Once interest is added to your annuity for an index term, those earnings usually are locked in and changes in the index in the next index term don't affect them. If you take money from an indexed annuity before an index term ends, *the annuity may not add all of the index-linked interest for that term to your account.*

Insurance companies use different formulas to calculate the interest to add to your annuity. They look at changes in the index over a period of time. See the box *"Fixed Deferred Indexed Formulas"* that describes how changes in an index are used to calculate interest.

The formulas insurance companies use often mean that interest added to your annuity is based on only *part* of a change in an index over a set period of time.

Participation rates, **cap rates**, and **spread rates** (sometimes called margin or asset fees) all are terms that describe ways the amount of interest added to your annuity may not reflect the full change in the index. But *if the index goes down over that period, zero interest is added to your annuity.* Then your annuity value won't go down as long as you don't withdraw the money.

When you buy an indexed annuity, you aren't investing directly in the market or the index. Some indexed annuities offer you more than one index choice. Many indexed annuities also offer the choice to put part of your money in a fixed interest rate account, with a rate that won't change for a set period.

Fixed Deferred Indexed Formulas

Annual Point-to-Point: Change in index calculated using two dates one year apart.

Multi-Year Point-to-Point: Change in index calculated using two dates more than one year apart.

Monthly or Daily Averaging: Change in index calculated using multiple dates (one day of every month for monthly averaging, every day the market is open for daily averaging.) The average of these values is compared with the index value at the start of the index term.

Monthly Point-to-Point: Change in index calculated for each month during the index term. Each monthly change is limited to the "cap rate" for positive changes, but not when the change is negative. At the end of the index term, all monthly changes (positive and negative) are added. If the result is positive, interest is added to the annuity. If the result is negative or zero, no interest (0%) is added.

Variable Annuities

Money in a variable annuity earns a return based on the performance of the investment portfolios, known as "**subaccounts**," where you choose to put your money. Your investment choices likely will include subaccounts with different types and levels of risk. Your choices will affect the return you earn on your annuity. Subaccounts usually have no guaranteed return, but you may have a choice to put some money in a fixed interest rate account, with a rate that won't change for a set period.

The value of your annuity can change every day as the subaccounts' values change. If the subaccounts' values increase, your annuity earns money. *But there's no guarantee that the values of the subaccounts will increase. If the subaccounts' values go down, you may end up with less money in your annuity than you paid into it.*

An insurer may offer several versions of a variable deferred annuity product. The different versions usually are identified as **share classes**. The key differences between the versions are the fees you'll pay every year you own the annuity. The rules that apply if you take money out of the annuity also may be different. Read the prospectus carefully. Ask the annuity salesperson to explain the differences among the versions.

WHAT OTHER INFORMATION SHOULD YOU CONSIDER?

Fees, Charges, and Adjustments

Fees and charges reduce the value of your annuity. They help cover the insurer's costs to sell and manage the annuity and pay benefits. The insurer may subtract these costs directly from your annuity's value. Most annuities have fees and charges but they can be different for different annuities. Read the contract and disclosure or prospectus carefully and ask the annuity salesperson to describe these costs.

A **surrender** or **withdrawal charge** is a charge if you take part or all of the money out of your annuity during a set period of time. The charge is a percentage of the amount you take out of the annuity. The percentage usually goes down each year until the surrender charge period ends. Look at the contract and the disclosure or prospectus for details about the charge. Also look for any waivers for events (such as a death) or the right to take out a small amount (usually up to 10%) each year without paying the charge. If you take all of your money out of an annuity, you've surrendered it and no longer have any right to future income payments.

Some annuities have a **Market Value Adjustment (MVA).** An MVA could increase or decrease your annuity's account value, cash surrender value, and/or death benefit value if you withdraw money from your account. In general, if interest rates are *lower* when you withdraw money than they were when you bought the annuity, the MVA could *increase* the amount you could take from your annuity. If interest rates are *higher* than when you bought the annuity, the MVA could *reduce* the amount you could take from your annuity. Every MVA calculation is different. Check your contract and disclosure or prospectus for details.

How Insurers Determine Indexed Interest

Participation Rate: Determines how much of the increase in the index is used to calculate index-linked interest. A participation rate usually is for a set period. The period can be from one year to the entire term. Some companies guarantee the rate can never be lower (higher) than a set minimum (maximum). Participation rates are often less than 100%, particularly when there's no cap rate.

Cap Rate: Typically, the maximum rate of interest the annuity will earn during the index term. Some annuities guarantee that the cap rate will never be lower (higher) than a set minimum (maximum). Companies often use a cap rate, especially if the participation rate is 100%.

Spread Rate: A set percentage the insurer subtracts from any change in the index. Also called a "margin or asset fee." Companies may use this instead of or in addition to a participation or cap rate.

How Annuities Make Payments

Annuitize: At some future time, you can choose to **annuitize** your annuity and start to receive guaranteed fixed income payments for life or a period of time you choose. After payments begin, you can't take any other money out of the annuity. You also usually can't change the amount of your payments. For more information, see "*Payout Options*" in this Buyer's Guide. If you die before the payment period ends, your survivors may not receive any payments, depending on the payout option you choose.

Full Withdrawal: You can withdraw the cash surrender value of the annuity in a lump sum payment and end your annuity. *You' ll likely pay a charge to do this if it's during the surrender charge period*. If you withdraw your annuity's cash surrender value, your annuity is cancelled. Once that happens, you can't start or continue to receive regular income payments from the annuity.

Partial Withdrawal: You may be able to withdraw *some* of the money from the annuity's cash surrender value without ending the annuity. Most annuities with surrender charges let you take out a certain amount (usually up to 10%) each year without paying surrender charges on that amount. Check your contract and disclosure or prospectus. Ask your annuity salesperson about other ways you can take money from the annuity without paying charges.

Living Benefits for Fixed Annuities: Some fixed annuities, especially fixed indexed annuities, offer a **guaranteed living benefits** rider, usually at an extra cost. A common type is called a guaranteed lifetime withdrawal benefit that guarantees to make income payments you can't outlive. While you get payments, the money still in your annuity continues to earn interest. You can choose to stop and restart the payments or you might be able to take extra money from your annuity. Even if the payments reduce the annuity's value to zero at some point, you'll continue to get payments for the rest of your life. If you die while receiving payments, your survivors may get some or all of the money left in your annuity.

Annuity Fees and Charges

Contract Fee: A flat dollar amount or percentage charged once or annually.

Percentage of Purchase Payment: A front-end sales load of other charge deducted from each premium paid. The percentage may vary over time.

Premium Tax: A tax some states charge on annuities. The insurer may subtract the amount of the tax when you pay your premium, when you withdraw your contract value, when you start to receive income payments, or when it pays a death benefit to your beneficiary.

Transaction Fee: A charge for certain transactions, such as transfers or withdrawals.

Mortality and expense (M&E) risk charge: A fee charged on *variable annuities*. It's a percentage of the account value invested in subaccounts.

Underlying fund charges: Fees and charges on a *variable* annuity's subaccounts; may include an investment management fee, distribution and service (12b-1) fees, and other fees.

Living Benefits for Variable Annuities: Variable annuities may offer a benefit at an extra cost that guarantees you a minimum account value, a minimum lifetime income, or minimum withdrawal amounts regardless of how your subaccounts perform. See "Variable Annuity Living Benefit Options" below. Check your contract and disclosure or prospectus or ask your annuity salesperson about these options.

Variable Annuity Living Benefit Options

Guaranteed Minimum Accumulation Benefit (GMAB): Guarantees your account value will equal some percentage (typically 100%) of premiums less withdrawals, at a set future date (for example, at maturity). If your annuity is worth less than the guaranteed amount at that date, your insurance company will add the difference.

Guaranteed Minimum Income Benefit (GMIB): Guarantees a minimum lifetime income. You usually must choose this benefit when you buy the annuity and must annuitize to use the benefit. There may be a waiting period before you can annuitize using this benefit.

Guaranteed Lifetime Withdrawal Benefit (GLWB): Guarantees you can make withdrawals for the rest of your life, up to a set maximum percentage each year.

How Annuities Are Taxed

Ask a tax professional about your individual situation. The information below is general and should not be considered tax advice.

Current federal law gives annuities special tax treatment. Income tax on annuities is deferred. That means you aren't taxed on any interest or investment returns while your money is in the annuity. This isn't the same as tax-free. You'll pay ordinary income tax when you take a withdrawal, receive an income stream, or receive each annuity payment. When you die, your survivors will typically owe income taxes on any death benefit they receive from an annuity.

There are other ways to save that offer tax advantages, including Individual Retirement Accounts (IRAs). You can buy an annuity to fund an IRA, *but you also can fund your IRA other ways and get the same tax advantages*. When you take a withdrawal or receive payments, you'll pay ordinary income tax on all of the money you receive (not just the interest or the investment return). You also may have to pay a 10% tax penalty if you withdraw money before you're age 59½.

Payout Options

You'll have a choice about how to receive income payments. These choices usually include:

- For your lifetime
- For the longer of your lifetime or your spouse's lifetime
- For a set time period
- For the longer of your lifetime or a set time period

Finding an Annuity That's Right for You

An annuity salesperson who suggests an annuity must choose one that they think is right for you, based on information from you. They need complete information about your life and financial situation to make a suitable recommendation. Expect a salesperson to ask about your age; your financial situation (assets, debts, income, tax status, how you plan to pay for the annuity); your tolerance for risk; your financial objectives and experience; your family circumstances; and how you plan to use the annuity. If you aren't comfortable with the annuity, ask your annuity salesperson to explain why they recommended it. Don't buy an annuity you don't understand or that doesn't seem right for you.

Within each annuity, the insurer may guarantee some values but not others. Some guarantees may be only for a year or less while others could be longer. Ask about risks and decide if you can accept them. For example, it's possible you won't get all of your money back or the return on your annuity may be lower than you expected. It's also possible you won't be able to withdraw money you need from your annuity without paying fees or the annuity payments may not be as much as you need to reach your goals. These risks vary with the type of annuity you buy. All product guarantees depend on the insurance company's financial strength and claims-paying ability.

Questions You Should Ask

- Do I understand the risks of an annuity? Am I comfortable with them?
- How will this annuity help me meet my overall financial objectives and time horizons?
- Will I use the annuity for a long-term goal such as retirement? If so, how could I achieve that goal if the income from the annuity isn't as much as I expected it to be?
- What features and benefits in the annuity, other than tax deferral, make it appropriate for me?
- Does my annuity offer a guaranteed minimum interest rate? If so, what is it?
- If the annuity includes riders, do I understand how they work?
- Am I taking full advantage of all of my other tax-deferred opportunities, such as 401(k)s, 403(b)s, and IRAs?
- Do I understand all the annuity's fees, charges, and adjustments?
- Is there a limit on how much I can take out my annuity each year without paying a surrender charge? Is there a limit on the total amount I can withdraw during the surrender charge period?
- Do I intend to keep my money in the annuity long enough to avoid paying any surrender charges?
- Have I consulted a tax advisor and/or considered how buying an annuity will affect my tax liability?
- How do I make sure my chosen survivors (beneficiaries) will receive any payment from my annuity if I die?

If you don't know the answers or have other questions, ask your annuity salesperson for help.

When You Receive Your Annuity Contract

When you receive your annuity contract, carefully review it. Be sure it matches your understanding. Also, read the disclosure or prospectus and other materials from the insurance company. Ask your annuity salesperson to explain anything you don't understand. In many states, a law gives you a set number of days (usually 10 to 30 days) to change your mind about buying an annuity after you receive it. This often is called a **free look** or **right to return** period. Your contract and disclosure or prospectus should prominently state your free look period. If you decide during that time that you don't want the annuity, you can contact the insurance company and return the contract. Depending on the state, you'll either get back all of your money or your current account value.

NOTES

The NAIC is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

For more information, visit **naic.org**.