

# FIELD UPDATE



**DATE:** May 25, 2017  
**TO:** American Equity NMOs and Agents  
**FROM:** Ron Grensteiner, President  
**RE:** Important Update - Department of Labor Fiduciary Rule

---

On May 22, 2017, Department of Labor Secretary Acosta confirmed the agency will not delay the applicability date of the Fiduciary Rule beyond June 9, 2017. While American Equity does not believe the Rule as written is in the best interest of retirement savers and will continue to work to revise or rescind the Rule, we all must take steps to conform to the Rule's requirements.

As of June 9, 2017, agents will be a fiduciary when they sell a fixed or fixed index annuity to a consumer using ERISA retirement plan or IRA funds. Agents will need to comply with Prohibited Transaction Exemption 84-24 (PTE 84-24) or the Best Interest Contract Exemption (BICE) in order to receive compensation.

Agents utilizing PTE 84-24 will need to comply with the Impartial Conduct Standards and the PTE 84-24 disclosure requirements. Click [here](#) for a sample disclosure. Click [here](#) for additional information about PTE 84-24. This disclosure does not need to be submitted to us but should be retained in the agent file. PTE 84-24 can be used for fixed index annuities until January 1, 2018. BICE will apply to sales of fixed index annuities on January 1, 2018, unless the Rule is revised.

Agents utilizing BICE will need to comply with the Impartial Conduct Standards and submit business through a Financial Institution. Additional BICE requirements will be effective January 1, 2018. Click [here](#) for information about BICE.

Due to these requirements, we have made changes to our business process. Entities acting as a Financial Institution will need to execute a Selling Agreement with American Equity. Effective June 9, 2017, a signed Producer Attestation ([Form 4510](#)) will be required for PTE 84-24 sales and rollovers involving qualified funds for American Equity traditional fixed and fixed index annuity business. This applies to new sales and additional premium submitted by an agent.

We are also updating the terms of your agent contract to reflect your understanding that compliance with the Rule is required. Click [here](#) to open and review the contract amendment. This update becomes effective June 9, 2017. Please contact Agency Services if you have any questions.

We appreciate your business and thank you for your efforts to implement the Rule. American retirees need the guarantees and lifetime income that only our products can provide. We look forward to a strong and successful future with you!



[life.american-equity.com](http://life.american-equity.com)

Call us at **888-647-1371**

6000 Westown Pkwy, West Des Moines, IA 50266

For Agent Information Only. Not for use in solicitation or advertising to the public.