

# New Business Playbook with Midland National®

Explore the types of business and ownership types we accept, and the product options available for your clients' solutions.

## Tax statuses accepted

The chart below outlines the tax statuses we accept for our fixed index annuities (FIAs), multi-year guarantee annuity (MYGA), and single premium immediate annuity (SPIA).

Contract Type	MNL RetireVantage® FIA	MNL IndexBuilder® FIA	MNL Accelerate® 5 FIA	MNL Endeavor® FIA	MNL Income Planning Annuity FIA	MNL IncomeVantage® Pro FIA	MNL Guarantee Pro MYGA	Direct Income SPIA
<b>Non-qualified stretch for new business¹</b> Available only for natural owners	Yes	No	Yes	Yes	No	No	No	No
<b>Inherited IRAs/ Inherited Roth IRAs</b> (date of death on or before 12-31-2019)	Yes	Yes	Yes	Yes	No	No	Yes	Yes
<b>Inherited IRAs/ Inherited Roth IRAs</b> (date of death on or after 1-1-20) Available only for natural owners	No	No	Yes	Yes	No	No	No	No
<b>403(b)</b> Minimum premium required unless noted otherwise	Yes	Yes	Yes	Yes 403(b) salary reduction also available	No	No	Yes	No

1. Non-qualified stretch for inforce business is available at the time of a death claim. If the inforce contract had a guaranteed lifetime withdrawal benefit (GLWB) and has any remaining accumulation value, the GLWB will terminate and the remaining accumulation value (death benefit) is eligible for non-qualified stretch.

# Non-living entity ownership types accepted

Non-qualified stretch on new and inforce business and Inherited IRAs with date of death on or after 1-1-20 are not allowed on these ownership types.

**Note:** We will accept revocable and irrevocable trusts for other contract types as long as they are one of the approved trust types listed below.

Beneficiary or owner	Common descriptions
A-B Trust	A trust created by a married couple with the objective of minimizing estate taxes. An A-B Trust divides into two trusts upon the death of the first spouse. The "A Trust" is commonly known as the Marital Trust. The "B Trust" is commonly known as the Credit Shelter Trust. Each spouse places assets in the A-B Trust and names someone other than the other spouse as final beneficiary.
Asset Protection Trust	A type of trust designed to protect assets from creditors or lawsuits.
Bypass/Credit Shelter Trust	A type of irrevocable trust most commonly used to pass assets from parents to children at the time of the second parent's death. It is structured so the children will not have to pay estate taxes on assets in excess of the current estate tax exemption.
Charitable Remainder Trusts	A tax-exempt irrevocable trust designed to reduce taxable income while also donating funds to a designated charity.
Charitable Trusts—IRC 4947(a)	A Charitable Trust is a set of assets, usually liquid, that a donor signs over or uses to create a charitable foundation. The assets are held and managed by the charity for a specified period of time, with some or all interest that the assets produce going to the charity.
Charitable UniTrust	Also known as a Charitable Remainder Trust, used by individuals to make a substantial contribution to a charitable organization. A donor transfers property to a trust, while retaining the right to receive payments from the trust for a term chosen by the donor. When the term has ended, the trust estate is paid to a public charity designated by the donor.
Discretionary/Sprinkle Trust	Another form of a revocable trust, this trust gives the trustee ability to pay the beneficiary based on the trustee's discretion.
Educational Trust	A trust that supports a school or supports an individual's education.
Inter Vivos Trust (Family, Grantor, Living)	A trust that starts while the creator is alive, sometimes called a "living trust." Property is placed in the trust and distributed according to the terms of the trust.
Irrevocable Life Insurance Trust (case-by-case basis)	Created to pay for life insurance premiums. (Can also receive a policy already in effect so that the insurance proceeds will not be included in the estate of the insured.)
Qualified Terminable Interest Property Trust	Enables the grantor to provide for a surviving spouse while also maintaining control of how the trust assets are distributed once the surviving spouse dies. Income, and sometimes principal, generated from the trust is given to the surviving spouse to ensure that the spouse is taken care of for the rest of his or her life.
Residuary Trust	The "B Trust" portion of an A-B Trust.
Savings Trust	A trust designed for saving and growing money over time.
Veterans Eligibility Trust	An irrevocable trust set up to reduce a veteran's assets and make him or her eligible to receive certain veterans' benefits.

Trusts should be drafted only by an attorney familiar with such matters. Neither Midland National nor its agents give legal or tax advice.

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# Non-living entity ownership types accepted

Beneficiary only	Common descriptions
Dynasty/Perpetual Trust	A long-term trust created to pass wealth from generation to generation without incurring estate, gift, or other transfer taxes.
Employee Benefit Plan/Trust	A trust set up by a company to provide benefits to employees and their families.
Gift Trust	A trust set up to avoid taxes on gifts that exceed the annual gift tax exclusion amount. Gift taxes are almost always paid by the gift giver, and if they exceed \$15,000 in one year, the excess is taxable.
Income Only Trust	A type of living trust often used for Medicaid planning. It protects assets from being sold to pay for nursing home and other long-term care expenses, so assets can be passed on to beneficiaries.
Pension Trust	A trust set up to pay pension benefits.
Special Needs Trust	A trust set up for the benefit of a special needs dependent.
Structured Settlement Trust	A negotiated arrangement where a claimant agrees to resolve a personal injury claim by receiving some part of the settlement in the form of periodic payments rather than as a lump sum.
Testamentary Trust	A trust which is specified within a person's will and goes into effect at death.

## Non-natural entities accepted

- Banks
- Brotherhoods/Fraternal Organizations (providing charitable or community services)–IRC 501(c)(10)
- C Corporation
- Cemetery Associations–IRC 501(c)(13)
- Charitable Organizations–IRC 501(c)(3)
- Church/Religious Organizations–IRC 501(c)(3)
- Civic & Business Leagues–IRC 501(c)(4) & (6)
- Credit Unions
- Homeowners Associations–IRC 501(c)(4)
- Labor Union–IRC 501(c)(5)
- Non-Profit Clubs–IRC 501(c)(7)
- S Corporation
- Securities Broker Dealers

## Required forms

Trust (non-charitable) as owner/beneficiary	Certification of Trust form
Charitable Trust as owner/beneficiary	Certification of Charitable Trust form W9
Corporation as owner	Certification of Corporate Owner form W9
Tax-Exempt Organization as owner	Certification of Tax Exempt Organization form W9

If the annuity is being used in connection with a non-qualified deferred compensation plan, submit the Unfunded non-qualified deferred compensation plan acknowledgment form.

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# Non-resident guidelines regarding annuities

Midland National® wants to make sure that our financial professionals understand the rules and regulations that pertain to non-resident sales of annuities. A “non-resident sale” occurs when a customer buys an annuity contract outside his/her state of residence.

State insurance departments want to protect their citizens from purchasing products that have not been approved in their respective states as well as making sure that only financial professionals and companies properly licensed in their respective states are doing business with residents of their states. They are examining transactions in which residents of their states are being sold insurance products outside their jurisdiction. Non-compliance with state rules can result in fines, penalties, remediation, suspension of agent/representative license or certificate of authority.

As a general rule, we do not allow annuity sales to take place outside the client’s resident state if the product series intended for purchase is not available in the client’s resident state. We understand that it is likely you will experience situations in which there is an opportunity to sell an annuity contract to an individual who is not a resident of the state in which you are located or conducting business. We may accept business sold outside the client’s resident state if the product series intended to purchase is approved in both the client’s resident state and purchase state.

In these circumstances, the financial professional and client must provide, in writing, the valid reason for the sale taking place in the non-resident state. You can quickly gather that information using the **Non-Resident Verification form**. This form will allow us to obtain the necessary information and ultimately get your new business application issued faster if the sale is approved.

It is important to note the entire sales process must occur in the application state, including but not limited to the sales discussions, application signing and contract delivery. Contracts cannot be mailed to the client’s resident state.

**When completing the non-resident verification form, keep in mind the following points in establishing a sufficient connection between an applicant/owner and the non-resident state in which the solicitation takes place:**

- A second home in the non-resident state is generally an acceptable reason for the location of the sale.
- A business owned by the customer in the non-resident state is generally an acceptable reason for the location of the sale.
- The financial professional is a relative or they have a long standing business relationship.
- Regular business dealings in the non-resident state may be an acceptable reason depending on the type and regularity of the contacts.
- Former residence in the non-resident state, with regular visits to that state to family/friends, may be an acceptable reason for the location of the sale.

Keep in mind that, even in cases in which the Non-Resident Verification form is completed and an explanation for the non-resident sale is provided, Midland National reserves the right to decline applications based on other information or circumstances known to the company.

State insurance departments will not tolerate financial professionals who deliberately bend the rules in the course of selling products to citizens outside their state of residence.

It is likely that many Midland National financial professionals sell products in jurisdictions outside of their own state of residence. In order to do so, a financial professional must maintain the appropriate non-resident license(s) and only sell products approved in the non-resident states while conducting business in those states. In addition, financial professionals must be familiar and comply with all rules and regulations in each state for which a non-resident license is held.

**It is important you understand that some states prohibit sales to residents from outside their states. From Midland National’s current interpretation of applicable state regulations and bulletins, the states below have unique rules about non-resident sales:**

**For Alabama, Massachusetts, Minnesota, New York, Oregon, Utah and Washington**—Residents of these states are NOT permitted to go outside of their resident state to purchase an annuity product, regardless of the circumstances of the sale.

## State availability chart effective Nov. 15, 2024

New updates are listed in red.

Our product features vary by state including interest rates, rider and index availability, issue ages, and more. This state availability chart along with the forms chart, and the interest rate sheet are vital to understanding state approvals and product feature variations in your state.

Abbreviation key		
No NHW	No nursing home waiver	
No 2yrPtP par rate	No Two-year Point-to-Point with Participation Rate	
No 2yrPtP margin	No Two-year Point-to-Point with Index Margin	
Issue age state variations		
State	Product	Issue age
California	MNL IndexBuilder®	0-49 14 year
	MNL IncomeVantage®	40-54 14 year
	MNL RetireVantage®	0-52 14 year
New Hampshire	MNL IndexBuilder®	0-74 14 year

# State availability chart effective Nov. 15, 2024

New updates are listed in red.

	Fixed index annuities								MYGA
	MNL Income Planning Annuity®	MNL IndexBuilder®		MNL RetireVantage®		MNL IncomeVantage® Pro	MNL Endeavor® 8	MNL Accelerate® 5	MNL Guarantee Pro®
		10 Year	14 Year	10 Year	14 Year		8		3, 5, 7 years
AK	X	X		X		X	X	X	X
AL	X	X	X	X	X	X	X	X	X
AZ	X	X	X	X	X	X	X	X	X
AR	X	X	X	X	X	X	X	X	X
CA	No NHW	No NHW		No NHW		No NHW	No NHW	No NHW	No NHW; 3, 5 yr only
CO	X	X	X	X	X	X	X	X	X
CT	X	X		X		X	X	X	X
DE	X	X		X		X	X	X	X
DC	X	X	X	X	X	X	X	X	X
FL	X	X	X	X	X	X	X	X	3, 5 yr only
GA	X	X	X	X	X	X	X	X	X
HI	X	X		X	X	X	X	X	X
ID	X	X		X		X	X	X	X
IL	X	X	X	X	X	X	X	X	X
IN	X	X		X	X	X	X	X	X
IA	X	X	X	X	X	X	X	X	X
KS	X	X	X	X	X	X	X	X	X
KY	X	X	X	X	X	X	X	X	X
LA	X	X	X	X	X	X	X	X	X
ME	X	X	X	X	X	X	X	X	X
MD	X	X		X		X	X	X	X
MA	X	No NHW		No NHW		No NHW	No NHW	X	X
MI	X	X	X	X	X	X	X	X	X
MN	X	X		X		X	X	X	X
MS	X	X	X	X	X	X	X	X	X
MO	X	X		X		X	X	X	X
MT	X	X		X		X	X	X	X
NE	X	X	X	X	X	X	X	X	X
NV	X	X		X		X	X	X	X
NH	X	X	X	X		X	No 2yrPtP margin, No 2yrPtP par rate	X	X
NJ	X	X		X		X	X	X	X
NM	X	X	X	X	X	X	X	X	X
NC	X	X	X	X	X	X	X	X	X
ND	X	X	X	X	X	X	X	X	X
OH	X	X		X		X	X	X	X
OK	X	X		X		X	X	X	X
OR	X	X		X		X	X	X	X
PA	X	X		X		X	X	X	X
RI	X	X	X	X	X	X	X	X	X
SC	X	X		X		X	X	X	X
SD	No NHW	X	X	X	X	No NHW	X	No NHW	No NHW
TN	X	X	X	X	X	X	X	X	X
TX	X	X		X		X	X	X	X
UT	X	X		X		X	X	X	X
VT	X	X	X	X	X	X	X	X	X
VA	X	X		X		X	X	X	X
WA	X	X		X		X	X	X	X
WV	X	X	X	X	X	X	X	X	X
WI	X	X	X	X	X	X	X	X	X
WY	X	X	X	X	X	X	X	X	X

Direct Income® SPIA is available in all states.

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