



# Insurance

## Agreements and Disclosures

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Flagstar Advisors, Inc., Member FINRA/SIPC, is a registered broker dealer, registered investment adviser, and licensed insurance agency.  
Flagstar Advisors is a wholly owned non-bank subsidiary of Flagstar Bank, N.A..  
Flagstar Bank, N.A. is not registered as a broker dealer or investment adviser.  
Securities and Investment products:  
ARE NOT INSURED BY THE FDIC OR ANY FEDERAL GOVERNMENT AGENCY • HAVE NO BANK GUARANTEE • MAY LOSE VALUE.



300096-0424

Dear Valued Client:

On behalf of your Financial Advisor, we want to thank you for your ongoing business.

Please take a moment to review the information contained in this Annuity and Insurance Booklet. Please initial the appropriate section(s) and sign Section V Client Acknowledgment.

Flagstar Advisors remains committed to investing in long term relationships and we remain dedicated to achieving your complete satisfaction. To ensure that you are satisfied with our efforts in helping you attain your investment objectives or if you have any questions regarding this booklet, please feel free to contact your Financial Advisor or call 646-822-1475.

Thank you for your ongoing business.

Flagstar Advisors

### **DISCLOSURE BOOKLET INSTRUCTIONS**

- 1. If you are purchasing Insurance with the proceeds from a sale of an Annuity (1035 Exchange), please initial Section I and II and sign Section V.**
- 2. If you are purchasing Insurance with the proceeds from an Insurance policy (1035 Exchange) please initial Section I and III and sign Section V.**
- 3. If you are purchasing Insurance using any source of funds other than an Annuity or an Insurance policy, please initial Section I and sign Section V only.**
- 4. Additionally, New York State Residents please initial Section IV and sign Section V.**

## SECTION I: INSURANCE DISCLOSURE

Dear Valued Client:

The following is for general information purposes:

I understand that I have applied for an insurance policy through Flagstar Advisors, Its approval is subject to the underwriting standards of the issuing insurance company. All transactions are being processed by Flagstar Advisors, not Flagstar Bank, N.A. Insurance policies may include life, variable life and universal life products, disability income, long-term care, and group insurance products.

**The Contract:** The policy is the entire contract and the contract is between the insurance company and the policy owner. No one other than an officer of the issuing insurance company can change any provisions of the contract. Policy Illustrations are projections of future policy values, based on assumptions of future investment results and assumptions as to what policy factors will then be in effect. The hypothetical investment rates used in illustrations are illustrative only and should not be deemed to represent past performance and are not a guarantee of future investment results. The actual performance of the policy may vary from the illustration.

**Fees:** In addition to investment results, future policy values depend on various policy factors including mortality rates and expense charges. These factors are determined by and may be adjusted by the insurance company. Please refer to your contract for further details. Surrender charges may apply to policy surrenders. Please contact your Financial Advisor for more specific information on surrender charges.

**Taxes:** Loans, surrenders and payment of death benefits may all have a tax ramification for the owner and/or the insured of the policy. The beneficiary will generally receive the insurance proceeds income tax-free. Loans and surrenders may trigger a taxable event. See your tax adviser for specific tax information.

**Credit Disclosure:** When applying for credit from Flagstar Advisors in connection with an insurance product or annuity from Flagstar Advisors, Flagstar Advisors may not condition the extension of credit on either (1.) The consumer's purchase of an insurance product from the Bank or any of its affiliates or (2.) The consumer's agreement not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

### **INSURANCE products:**

ARE NOT INSURED BY THE FDIC OR ANY FEDERAL GOVERNMENT AGENCY • ARE NOT BANK GUARANTEED  
• MAY LOSE VALUE.

**Fixed Account Option:** The issuing insurance company guarantees both premium and interest against market loss. However, specific renewal rates can fluctuate.

**Illustration/Prospectus Receipt:** I have received a prospectus, which fully explains all aspects of this investment, including fees and the sales charges. The issuing insurance company prepares prospectuses.

*By initialing below, I confirm that I have received, read and understand the above information.*

Owners Initials: \_\_\_\_\_ Date: \_\_\_\_\_

Co-Owners Initials: \_\_\_\_\_ Date: \_\_\_\_\_

## SECTION II: ANNUITY TO LIFE REPLACEMENT DISCLOSURE

Dear Valued Client:

Flagstar Advisors and your Financial Advisor want you to understand and carefully consider the facts about your 1035 exchange. Please take a moment to review the information provided in your prospectus and in the side-by side comparison in the carrier's documentation.

You understand, agree and acknowledge that:

- Details of the features, risks and fees of a variable life insurance policy are set forth in the prospectus. If you are purchasing a variable life insurance contract, prior to deciding to purchase the contract, you received the prospectus and had an opportunity to review it with your Financial Advisor.
- The replacement of an annuity contract with a life insurance policy cannot be performed as a tax-free exchange. Therefore, the surrender of an annuity contract may cause a taxable event. Your Financial Advisor did not recommend that you surrender the annuity contract nor did he or she give you tax advice regarding the surrender of the annuity contract. Prior to surrendering the annuity contract you had the opportunity to consult with your tax advisor.
- The primary reason that you are replacing your annuity contract with a life insurance contract is your desire to increase the death benefit.
- The guaranteed death benefit rider included in many life insurance policies is voided by a withdrawal and/or policy loan. Before deciding to purchase the life insurance policy you had the opportunity to discuss with your Financial Advisor the availability of a guaranteed death benefit rider and whether such rider would be voided if you took a withdrawal or loan from the contract.
- Many single premium life insurance contracts (and other life insurance policies requiring a large initial premium) are modified endowment contracts ("MECs"). Under a MEC, withdrawals and loans are taxed in a different manner than most traditional life insurance contracts. Before deciding to purchase this contract, you had the opportunity to discuss with your Financial Advisor whether the life insurance policy was a MEC and the tax implications if it is a MEC.
- There may be other ways, other than a full surrender of your annuity contract, to fund a life insurance contract with the account balance of an annuity contract. You had the opportunity to discuss these methods with your Financial Advisor and decided to purchase this life insurance policy.

*By initialing below, I confirm that I have received, read and understand the above information.*

Owners Initials: \_\_\_\_\_ Date: \_\_\_\_\_

Co-Owners Initials: \_\_\_\_\_ Date: \_\_\_\_\_

### SECTION III: LIFE TO LIFE REPLACEMENT

Dear Valued Client:

Flagstar Advisors and your Financial Advisor, want you to understand and carefully consider the facts about your 1035 exchange. Please take a moment to review the information provided in your prospectus and in the side-by-side comparison in the carrier's documentation.

You understand and acknowledge that:

- To lock-in a surrender value, we recommend that you contact the existing carrier and transfer the funds to a money market sub-account while the requested transaction is in process.
- If an outstanding loan exists, tax consequences may exist if the replacement occurs. Please consult with your tax advisor.

#### **Replacing life insurance with new life insurance**

- You may be subject to a new contestability/suicide period
- Premiums and/or cost of insurance are determined based upon a person's age and health
- Premium taxes may be collected on the entire amount of the premium for the new policy
- The values of the new policy may initially grow more slowly than if they had remained in the existing policy

*By initialing below, I confirm that I have received, read and understand the above information.*

Owners Initials: \_\_\_\_\_ Date: \_\_\_\_\_

Co-Owners Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**SECTION IV: NEW YORK STATE RESIDENT CLIENT NOTIFICATION  
COMPENSATION DISCLOSURE – RULE 194**

Please note Flagstar Advisors has relationships with insurance companies whose products we sell. As an insurance producer, we are an agent of the insurance company and receive commissions from the insurance company whose products we sell.

We expect to receive compensation from the insurance company or other third party based, at least in part, on the insurance contract we may sell you. The compensation paid to us may vary depending on a number of factors, including the insurance contract and the insurance company that you select, the volume of business we provide to the insurance company or the profitability of the insurance contracts that we provide to the insurance company.

You may obtain information about the compensation that we expect to receive based on the sale, and any alternative quotes we may have presented, by requesting such information from us.

A insurance producer, according to New York Insurance Law 4224 (c ), is prohibited by law from altering the amount of compensation he/she receives from the insurance company based in whole or in part on the sale and from giving you, directly or indirectly, any portion of such compensation which is not specified in your policy or contract.

*By initialing below, I confirm that I have received, read and understand the above information.*

Owners Initials: \_\_\_\_\_ Date: \_\_\_\_\_

Co-Owners Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**SECTION V: CLIENT ACKNOWLEDGEMENT**

Your signature and initials in the applicable sections of this document acknowledges that you have read and understand the items discussed above and that you have received a prospectus/illustration, which provides additional disclosure information. Your signature on this form does not constitute the execution of an order. Upon acceptance of an application by the insurance company, the contract will be sent from the insurance company to you confirming your order.

By signing below, I indicated that I have made an informed decision to purchase this product. This product fits my investment needs and objectives and my signature below indicates my consent to the transaction(s).

**INSURANCE products:**

ARE NOT INSURED BY THE FDIC OR ANY FEDERAL GOVERNMENT AGENCY • ARE NOT BANK GUARANTEED • MAY LOSE VALUE.

Owner's Name: \_\_\_\_\_

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

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

Joint Owner's Name: \_\_\_\_\_

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

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

Financial Advisor's Name: \_\_\_\_\_

Financial Advisor Signature: \_\_\_\_\_

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

Supervisory Principal Signature: \_\_\_\_\_

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

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# PRIVACY NOTICE – Flagstar Advisors

<b>FACTS</b>	<b>WHAT DOES FLAGSTAR BANK, N.A., FLAGSTAR ADVISORS, INC. AND FLAGSTAR FINANCIAL &amp; LEASING, LLC (OR OF ANY SUCCESSOR THERETO) TOGETHER KNOWN AS “FLAGSTAR,” DO WITH YOUR PERSONAL INFORMATION?</b>
<b>WHY?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>WHAT?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and credit history</li> <li>• account balances and account transactions</li> <li>• payment history and checking account information</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
<b>HOW?</b>	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Flagstar chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Flagstar share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes—to offer our products and services to you	No	We don’t share
For joint marketing with other financial companies	No	We don’t share
For our affiliates’ everyday business purposes—information about your transactions and experiences	Yes	No
For our affiliates’ everyday business purposes—information about your creditworthiness	No	We don’t share
For nonaffiliates to market to you	No	We don’t share

<b>QUESTIONS?</b>	Call 1-866-744-5463 or email us at <a href="mailto:privacy@flagstar.com">privacy@flagstar.com</a> .
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<b>WHO ARE WE</b>	
<b>Who is providing this notice?</b>	Flagstar Bank, N.A., Member FDIC, is an Equal Housing Lender. Flagstar Advisors, Inc. (Flagstar Advisors), member of FINRA/SIPC, is a registered broker-dealer, registered investment adviser, and licensed insurance agency. Flagstar Financial & Leasing, LLC (FFL LLC) is a specialty finance company. Flagstar Public Funding Corp. (FPFC) is a municipal leasing and financing corporation. Flagstar Advisors, FFL LLC, and FPFC are wholly owned non-bank subsidiaries of Flagstar Bank, N.A.
<b>WHAT WE DO</b>	
<b>How does Flagstar protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Flagstar collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• open an account</li> <li>• show your driver’s license</li> <li>• deposit money</li> <li>• use your credit or debit card</li> <li>• tell us about your investment or retirement portfolio</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can’t I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates’ everyday business purposes—information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
<b>DEFINITIONS</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• Our affiliates include other companies with “Flagstar” in their name: financial companies such as <i>Flagstar Financial &amp; Leasing, LLC</i> and <i>Flagstar Public Funding Corp.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Flagstar does not share your information with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>Flagstar does currently share your information with nonaffiliates for joint marketing.</i></li> </ul>