



LICENSING REQUIREMENTS

Please include the following requirements and Fax to **425-453-0909**
Or E-Mail to **Contracting@theannuitysourceinc.com**

Contracting Requirements

- Completed Contracting Packet
- Copies of all Resident and Non-Resident Licenses
- Current E&O Coverage Declaration Page
- Voided Check for EFT
- If you answered “yes” to any question re: special circumstances, please include an Explanation Document.

Training Requirements

- If you are submitting new business with contracting, please provide a copy of the client application. Also please ensure you have completed the Carrier Product Training PRIOR to dating any new business.
- If applicable, provide a copy of your NAIC state required suitability training completion certificate.
- Please complete your AML Training via the LIMRA site.

<https://aml.limra.com>

Username: First four letters of last name and last six of the social - all lowercase

Password: First time users will use the last name (lowercase)

Licensing Questions please call:

800-743-4930

www.theannuitysourceinc.com



Nationwide®
is on your side

Nationwide Agent Contracting Packet Instruction Sheet and Check List

We look forward to working with you

Attached is the Contracting Packet required in order to sell the Nationwide's Fixed Life Insurance products.

This PDF packet contains the following fillable forms which need to be read, completed (signatures are required) and returned to your Brokerage General Agency (BGA):

Independent Agent Agreement (pg 2-14) - review the agreement then, enter the Agent name on pg 2, complete the address on pg 13, and sign the agreement on pg 14. *Please do not date the agreement.*

Nationwide Financial Independent Agent Information Form (pg 15) - complete the form in its entirety.

Nationwide Commission ACH Payment Form (pg 16) - required for all agents that will receive compensation directly from Nationwide (a voided check is required).

Completed IRS Form W-9 (pg 17-20)

Release Authorization and Fair Credit Reporting Act Disclosure (pg 21) – provide Nationwide authorization to review your background.

Business Associate Agreement (pg 22-28) – review the agreement then sign and complete information on page 28. *Please do not date the agreement.*

Provide the following supporting documents:

Copy of Insurance License

Copy of E&O Certificate showing the agent's name on the certificate with a minimum \$1 million per claim.

Copy of Voided Check - to ensure the account is eligible for payment and that the bank account information is accurate and legible.

Please read Nationwide's *Business Practices and Compliance Guide* which is also attached. By signing the Independent Agent Agreement, you are acknowledging that you have read and will abide by these practices.

We're On Your Side®

Nationwide is on your side and we're here to help. However, due to the nature of our agreement with your BGA, please direct any questions regarding the Agent Contracting Packet to your BGA. If your BGA is unable to assist you, feel free to contact our Agreements Team by emailing askagree@nationwide.com.

Once you have reviewed all of the materials and completed the required forms please return the packet to your BGA for review and submission to Nationwide.

We look forward to a long and prosperous relationship.

INDEPENDENT AGENT AGREEMENT

This Independent Agent Agreement (“Agreement”) is effective this ____ day of _____, 20____, by and among Nationwide Life Insurance Company, Nationwide Life and Annuity Insurance Company (hereinafter individually and collectively referred to as (“Nationwide”), and _____ (hereinafter referred to as the “Agent”).

The parties to this Agreement agree to the following terms and conditions:

Distributor Required. For purposes of this Agreement, the Distributor is the person, partnership, or organization performing pursuant to a distributor, sub-distributor or general agent selling agreement (“Distributor Agreement”) with Nationwide which recommends the Agent for appointment with Nationwide, and which may provide assistance to the Agent for sales, management, support and service related to life and annuity insurance products issued by Nationwide (“Insurance Products”). This Agreement, which is independent of the Distributor Agreement, is not effective unless the Distributor has an active Distributor Agreement in good standing with Nationwide.

Expectations for Agents. Nationwide expects the sales activities of Agent to result in the high quality placement of insurance products with customers, with excellent persistency from the Agent. Agents are expected and hereby required to market and offer the Insurance Products in a professional and ethical manner, observing high standards of commercial honor and just and equitable principles of trade, to provide customers with an assessment in good faith of the need for Insurance Products, and to provide service to contract holders and/or policy owners in a timely and professional manner.

Authority

(a) **Appointment.** Nationwide hereby:

- (1) authorizes the Agent to solicit, after being properly licensed under state law and appointed under existing Nationwide guidelines, applications for Insurance Products on behalf of Nationwide using forms, rates and guidelines provided by Nationwide;
- (2) requires the Agent to ensure all Insurance Products sold are suitable for each individual insured/owner and contract holder, and to provide information to Nationwide related to such suitability as required by Insurance Product applications, processing instructions and upon request;
- (3) requires the Agent to promptly deliver contracts and policies when the conditions governing such delivery have been met;
- (4) authorizes the Agent to collect the initial contract payment or modal premium necessary to place in force or to reinstate a policy in the form of a check payable to Nationwide, or another form of payment agreed to

by Nationwide, following all applicable state and/or federal laws and regulations; and

(5) authorize the Agent to service the contract holder or policy owner.

(b) **Company Independence**. Each life insurance company's life and annuity products are separately underwritten and are the sole obligation of the issuing insurer.

(c) **Relationship with Nationwide**. The Agent is an independent contractor and not an employee of Nationwide.

(d) **Instructions**. The Agent agrees to abide by the terms and conditions of this Agreement. In performing its obligations under this Agreement, Agent shall comply with all lawful rules, practices, instructions, regulations, procedures and guidelines, which shall include but not be limited to the "Nationwide Business Practices & Compliance Guide", attached hereto as Exhibit B, as may be established and amended by Nationwide from time to time and of which Agent has received notice (collectively, the "Instructions"). Nationwide will provide notice to Agent of Instructions and any changes thereto by the same method Nationwide communicates with its field force and not in accordance with the notice provisions set forth in this Agreement.

(e) **Limitation of Authority**. The Agent's authority shall extend no further than as stated in this Agreement. The Agent shall not:

(1) make, waive, or change any questions, statements, or answers on any application for an Agent agreement or any application for Insurance Products, the terms of any receipt given thereon, or the terms of any policy or contract itself;

(2) extend or waive any provision of any policy or contract or the time for contract payments or payment of premiums;

(3) deliver any policy unless the health of the insured(s) is substantially unchanged from the date of the application;

(4) incur any debts or liability for or against Nationwide;

(5) receive any money for Nationwide except premiums as authorized in section (a)(4) above, in the form of a check payable to Nationwide;

(6) misrepresent, or fail to disclose accurately, the terms or nature of Nationwide's contracts and policies;

(7) pay any premiums on contracts or policies other than the Agent's own,

the Agent's immediate family members, or for which the Agent is a fiduciary;

- (8) solicit business in a state where the contract/policy isn't approved for sale;
 - (9) violate any published Nationwide policy or Instructions on viatical sales and/or stranger-originated or terminally-ill owner or annuitant life policy or annuity contract sales;
 - (10) violate any applicable federal or state laws and/or regulations;
 - (11) violate any Nationwide Instructions.
- (f) **No Rebating.** The Agent shall not, whether or not permitted by law, pay or allow any rebate of premiums or commissions in any manner, directly or indirectly.
- (g) **Sales Promotion.** No advertising or sales material referencing the Nationwide Insurance Products or Nationwide itself, may be used without Nationwide's prior written consent.
- (h) **Errors and Omissions Coverage.** The Agent shall obtain and maintain a professional errors and omissions liability policy with minimum limits as published from time to time by Nationwide. To the extent not covered by liability insurance, the Agent shall hold harmless and indemnify Nationwide, its subsidiaries and affiliates, from any and all expenses, costs, causes of action, penalties and damages resulting from or growing out of acts or omissions by the Agent that results in a loss in accordance with the Indemnification Section contained herein.
- (i) **Compliance, Training and Suitability.** The Agent shall abide by all applicable local, state and federal laws and regulations in conducting business under this Agreement. Agent also agrees to abide by all applicable local, state and federal laws and regulations, and Nationwide Instructions, related to sales practices and suitability of life and annuity insurance products, and agrees to provide to Nationwide all information related to suitability as required by Insurance Product applications, processing instructions and upon request. Agent agrees to participate in, timely complete and provide evidence of completion upon request of all training and education required by applicable local, state and federal laws and regulations and the Nationwide Instructions, particularly training related to life and annuity suitability. Nationwide shall be under no obligation to permit an Agent to offer or sell Insurance Products or to issue a particular Insurance Product unless and until Nationwide's suitability and training requirements and Instructions have been satisfied.

- (j) **Books and Records.** The Agent shall maintain, and Nationwide shall have the right to inspect and audit, all records and documents relating to the business of Nationwide conducted by the Agent, or the Agent's employees. This provision shall survive any termination of this Agreement.
- (k) **Territory.** This Agreement does not confer any exclusive right or territory upon the Agent.
- (l) **The Violent Crime Control and Law Enforcement Act.** The Agent represents and warrants to Nationwide that neither the Agent, nor any Agent's employee or the Agent's representative providing services according to the terms of this Agreement has been convicted of any felony involving dishonesty or breach of trust under any state or federal law. The Agent agrees to defend and indemnify Nationwide with respect to any action brought against Nationwide to the extent that such action is based upon a claim that the engagement by Nationwide of the Agent or any such Agent, employee or the Agent's representative violated any state or federal proscription against such engagement, including but not limited to, The Violent Crime Control and Law Enforcement Act of 1994, as may be amended.
- (m) **Investigations; Customer Complaints.** The Agent agrees to cooperate fully in any insurance or other regulatory or judicial investigation or proceeding arising in connection with the Insurance Products, Nationwide, or the Agent. The Agent shall permit appropriate federal and state insurance and other regulatory authorities to audit the Agent's records and shall furnish the foregoing authorities with any information which such authorities may request in order to ascertain whether the Agent is complying with all applicable laws and/or regulations. The Agent hereby agrees to and shall (a) promptly notify and report to Nationwide all customer complaints and regulatory inquiries ("Complaints") with respect to the Insurance Products, and/or Nationwide and/or the Agent related to the offer, sale or servicing of Insurance Products (b) fully cooperate with Nationwide in resolving all such Complaints, and (c) provide all records and information related to such Complaints to Nationwide upon request. This provision shall survive any termination of this Agreement.

Compensation

- (a) **Generally.** Nationwide agrees to pay compensation with respect to the Insurance Products as set forth on Exhibit A of the compensation schedules attached to this Agreement ("Compensation Schedule"), subject to any chargebacks, as further described in this Agreement and the Compensation Schedules.
- (b) **Modifications.** The Compensation Schedule may be modified or

amended by Nationwide at any time, without notice, except as to Nationwide Insurance Products issued prior to the date of the change. Any changes to commission rates shall apply to all payments applied to the Insurance Products issued as of or after the effective date of the change. Notice of changes to the Compensation Schedule may be made through US Mail, email, facsimile, internet, or any other form of electronic communication. Nationwide agrees to use its best efforts to provide advance written notice of such changes, if any.

- (c) **Payment Procedure.** Compensation shall be made payable directly to the Agent on behalf of the Distributor. For the avoidance of doubt, Nationwide shall not be responsible for such payments and shall not be liable for the fulfillment of any obligation of the Distributor to the Agent.

Nationwide will provide to the Agent, as an independent contractor, a Form 1099, but Nationwide will not be responsible to Agent for any income tax withholding.

In the event Agent is to receive compensation directly from Nationwide under this Agreement, Agent agrees to complete all information requested in the Nationwide Commission ACH Payment Form, attached hereto and incorporated by reference herein. Agent agrees to receive and accept all commission payments from Nationwide via Automated Clearing House ("ACH") to the bank account specified on such ACH Form.

- (d) **No Vesting; Trail Commissions.** Compensation is not vested. All trail commissions, if any, shall be paid by Nationwide to Agent with respect to the Insurance Products where Agent is listed as the agent of record on or before the date of termination of this Agreement. In the event Nationwide receives notification to transfer a contract or policy paying trail commissions to a new agent, all subsequent trail commissions as of the calendar quarter in which the transfer took place, will be paid to the new agent of record. In the event a contract or policy paying trail commissions is surrendered, rescinded or otherwise canceled ("Terminated"), no trail commissions will be paid for the calendar quarter in which the contract or policy is terminated. This section (d) shall not be superseded by any right of offset or other remedy Nationwide may have with respect to monies owed by Agent or by the new agent of record.

- (e) **Chargebacks.** The Agent is personally responsible for funds due to Nationwide, including but not limited to, chargebacks as described in the Compensation Schedule.

- (f) **Right of Set-Off.** With respect to any compensation owed by Nationwide to the Agent, Nationwide shall have the right to set off against and deduct from such compensation (i) any monies or indebtedness due and owing by the Agent to Nationwide, and (ii) any damages, costs or expenses incurred by Nationwide arising out of a breach of this Agreement by the Agent.

- (g) **Other Restrictions.** The following additional restrictions shall apply:

- (1) No applications will be accepted on Insurance Products which are not approved in the state where written.
 - (2) Nationwide reserves the right to reject any applications submitted under this Agreement.
 - (3) Nationwide may in its discretion settle any claim of applicants, contract holders, policy owners or others in connection with any consumer complaint or any threatened or pending lawsuit as a result of any claimed improper or unauthorized action or statement in the marketing of the contract or policy.
 - (4) In order to receive any compensation the Agent must be licensed and appointed with Nationwide in the contract or policy's state of issue at the time of contract or policy issue.
 - (5) The Agent is not eligible for any benefits provided by Nationwide.
- (h) **Distributor Compensation.** Compensation due to the Distributor shall be payable directly to the Distributor by Nationwide, or as necessary to meet all applicable legal requirements, to the licensed Distributor affiliate. Payments shall be made in accordance with the Distributor Agreement and the Compensation Schedules attached thereto; subject to compensation payable to the Agent and/or Sub-Distributor, as applicable.
- (i) **Miscellaneous.** Notwithstanding any other provisions of this Agreement, Nationwide shall not be obligated to pay any compensation which would be in violation of the applicable laws, rules or regulations of any jurisdiction.

Change or Termination

- (a) **Changes.** Nationwide may at any time and from time to time:

change or modify this Agreement, including the Compensation Schedule, as set forth in subsection (b) Modifications of the Compensation provision, by giving Agent written notice of the change or modification; modify or amend any contract or policy form; fix minimum and maximum limits on the amount for which any contract or policy form may be issued; modify or alter the conditions or terms under which any contract or policy forms may be sold; discontinue or withdraw any contract or policy from any state, without prejudice to continue such form elsewhere; and cease doing business in any state.

- (b) **Termination.** This is an at-will Agreement; this contract is not for a definite term or period of time.

- (1) **Without Cause.** Any party to this Agreement may terminate the Agreement without cause upon 30 days' written notice to the other parties.
- (2) **For Cause.** Nationwide may terminate this Agreement for cause at any time, without prior written notice, if the Agent:
 - i. fails to comply with the laws or regulations of any state or other governmental agency or body having jurisdiction over the sale of insurance or securities;
 - ii. misappropriates or commingles any money or property belonging to Nationwide or a contract holder or policy owner;
 - iii. subjects Nationwide to any actual or potential liability due to misfeasance, malfeasance, or nonfeasance;
 - iv. commits any fraud upon Nationwide or a contract holder or policy owner, or misrepresents contract or policy benefits, provisions or premiums, or misrepresents any information on a Nationwide application or required form;
 - v. has an assignment for the benefit of creditors;
 - vi. files a voluntary petition in bankruptcy or for reorganization or is adjudicated as bankrupt or insolvent;
 - vii. has a liquidator or trustee appointed over its affairs and such appointment shall not have been terminated and discharged within sixty (60) days of such appointment;
 - viii. fails to reimburse Nationwide for monies owed; or
 - ix. commits a material breach of this Agreement, Nationwide Instructions or Nationwide contract or policy provisions relating to Agent conduct.

In the event of termination of an Agent for cause, no commission, fees or other compensation accruing on or after the date of the violation or act giving rise to the termination for cause shall be paid to the Agent.

- (3) **Automatic Termination.** This Agreement automatically terminates upon:
 - i. the Agent's death or inability to perform the Agent's responsibilities under this Agreement;

- ii. failing to maintain in force specified amounts of a professional errors and omissions liability policy;
- iii. a determination by Nationwide that the Agent induced or attempted to induce Nationwide contract holders and policy owners to relinquish or replace Nationwide contracts and policies with such frequency as to indicate a pattern of inappropriate activity; or
- iv. failure to maintain all state and federal licenses, registrations, and/or appointments as required by the regulating entity or jurisdiction.

(4) **Agent Access upon Termination.** Upon termination of this Agreement, Nationwide may, at its sole discretion, terminate Agent's access to contract holders and policy owners, including any records related thereto.

(c) **Indebtedness.** Termination will not dismiss or reduce any indebtedness the Agent owes Nationwide, its subsidiaries or affiliates.

(d) **Company Property.** All Nationwide supplied material, including but not limited to, manuals, forms, supplies, sales brochures, software, or lists of contract owners and policy holders or insured persons shall be and remain the property of Nationwide and shall not be shared with, or made known to, any third party without the written consent of Nationwide. Upon termination of this Agreement for any reason, the Agent agrees:

- (1) to assemble and deliver promptly to Nationwide all such material (including copies), whether in hard copy form or otherwise; and
- (2) not to use any such material for the Agent's commercial purposes or for that of any other entity.

Indemnification

Agent agrees to indemnify and hold Nationwide, their officers, directors, employees and representatives harmless from any and all losses, claims, damages, liabilities or expenses to which Nationwide may become subject under any applicable statute, regulation, common law or otherwise, insofar as such losses, claims, damages, liabilities, or expenses relate directly to the sale of the Insurance Products and arise as a direct consequence of:

- (a) any material misrepresentation or omission, or alleged misrepresentation or omission involving the sales subject to this Agreement, provided that such misrepresentations or omissions are not directly caused by Nationwide;

- (b) any failure by Agent, whether negligent or intentional, to perform the duties and discharge the obligations contemplated in this Agreement;
- (c) any fraudulent, unauthorized or wrongful act or omission by Agent;
- (d) Agent's misuse, modification and/or unauthorized use of the Marks or any claims that the Marks or materials provided to Nationwide by Agent pursuant to this Agreement constitute an infringement of title, copyright, trademark or other intellectual property rights of a third party, or piracy, plagiarism, or unfair competition or idea misappropriation under implied or express contract or any other cause of action in any way related to the Marks or materials provided to Nationwide by Agent pursuant to this Agreement; and
- (e) any and all actions conducted on the part of Agent resulting from a finding by any regulatory agency with jurisdiction over Nationwide that a sale of a contract or policy was unsuitable.

In the event Nationwide is compelled or agrees to pay any amount in the settlement of any claim, judgment, arbitration or similar action pursuant to this Section, Agent shall reimburse Nationwide. Nationwide, in the alternative, may deduct the amount of such reimbursement obligation from any sales compensation subsequently payable to Agent.

The Agent shall not be liable, as the indemnifying party pursuant to this Section, to the extent that the losses, claims, damages, liabilities or legal expenses incurred by Nationwide arise out of Nationwide's willful misfeasance, bad faith, or gross negligence in the performance of its duties, or through the reckless disregard of its duties, under this Agreement.

The Agent will promptly notify Nationwide of the commencement of any litigation or proceedings, or the assertion of any claim or any material inquiries related to the duties set forth in the Agreement. The indemnifying party shall have control of the defense of any such action, including appeals, and of all negotiations relating thereto, including the right to effect the settlement or compromise thereof.

Nothing in this Section shall preclude Nationwide from exercising any other rights and remedies that may be available to Nationwide at law or in equity.

Anti-Money Laundering

The Agent shall comply with all applicable and effective anti-money laundering ("AML") laws, regulations, and rules including, but not limited to, the Bank Secrecy Act, its implementing regulations, and related rules promulgated by applicable regulators. The Agent shall also comply with the laws and regulations administered by the Office of Foreign Assets Control ("OFAC").

The Agent shall report to Nationwide, without any undue delay, any unusual or suspicious activity or transaction involving customers and/or potential customers and involving the sale of Insurance Products. Notice shall be made to the AML Compliance Director at the mail address provided in the Notice Section of this Agreement and will be deemed given to Nationwide when sent by e-mail with confirmation of transmission by the transmitting equipment. The Agent shall ensure that any activity reported to Nationwide remains confidential and that any report submitted to Nationwide and/or any information related to such report is not disclosed to the customer(s) involved in such report or to any third party. Providing notice to Nationwide of any suspicious activity shall not relieve the Agent of any duty it may independently have to report suspicious activities.

If any investigation should arise under this Section involving the sale or solicitation of Insurance Products under this Agreement, the Agent agrees to fully cooperate with Nationwide in the investigation. The Agent will cooperate even if the investigation commences or continues after this Agreement is terminated.

Privacy and Data Security/Confidentiality of Information

Confidential Information. For purposes of this Section, “Confidential Information” means any data or information regarding proprietary information, information identified as Confidential, Personal Information, or information that a reasonable business person would understand to be confidential.

Confidential Information does not include information that (i) was in the public domain prior to the date of this Agreement or subsequently came into the public domain through no fault of the receiving party or by violation of this agreement; (ii) was lawfully received by the receiving party from a third party free of any obligation of confidence of such third party; (iii) was already in the possession of the receiving party prior to the receipt thereof directly or indirectly from the disclosing party; (iv) is required to be disclosed pursuant to applicable laws, regulatory or legal process, subpoena or court order, or (v) is subsequently and independently developed by employees, consultants or agents of the receiving party without reference to or use of the Confidential Information disclosed under this Agreement.

Personal Information. For purposes of this Section, “Personal Information” means any “non-public personal information” as defined in Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. Section 6801 et seq., and the rules and regulations promulgated thereunder.

Personal Information shall not include information that is not personally identifiable, “de-identified information”. “De-identified Information” may be used by Nationwide and/or its service providers, either alone or in aggregate, for research, studies, and for other business purposes.

Data Security/Confidentiality of Information. Each party warrants to the other that it shall not disclose or use any Confidential Information, which it may acquire in the performance of this Agreement, for any purpose other than to fulfill its contractual obligations under this Agreement or as may be required or permitted by law. Additionally, each party shall maintain the other party's "Confidential Information" with reasonable care, which shall not be less than the degree of care it would use for its own such information.

The parties acknowledge and agree that in the course of performing under this Agreement, each may receive or have access to Personal Information of their mutual customers. The parties agree to comply with all applicable laws, rules, regulations, and ordinances related to privacy and access to or use of Personal Information.

The Agent shall promptly notify Nationwide upon discovery of any unauthorized access related to Personal Information of its mutual customers ("Security Breach") that requires notification under applicable federal or state breach-notification laws and to reasonably cooperate with Nationwide in the event thereof. The party responsible for the Security Breach shall be liable, at its own expense, for any legal obligation or associated costs which may arise under applicable law in connection with the Security Breach and shall act in accordance with such applicable laws.

This section shall survive and continue in full force and effect notwithstanding the expiration or termination of this Agreement.

General Provisions

- (a) **Non-Waiver.** Failure of Nationwide to require strict compliance with any of the terms or conditions of this Agreement shall not constitute a waiver of such terms or conditions nor affect the right of Nationwide thereafter to require such compliance.
- (b) **Partnerships.** When the Agent is a partnership or corporation, any reference made to the Agent as an individual shall be deemed to mean the partners or the officers of the corporation who are licensed and appointed with Nationwide.
- (c) **Prior Contracts.** This Agreement shall supersede any and all prior contract(s) between the Agent and Nationwide, however, any outstanding indebtedness shall survive.
- (d) **Service of Process.** The Agent is not an authorized agent or representative of Nationwide to accept service of legal process, and

therefore, the Agent should not accept such service. If, however, any paper is served upon the Agent, the Agent shall fax or send by certified mail the same to Nationwide General Counsel within 24 hours after its receipt.

Notice

Communications sent pursuant to provisions of this Agreement shall be in writing, shall be delivered personally or sent by U.S. mail, facsimile, or commercial courier and shall be deemed given upon mailing. However, any notice of change of address shall be deemed given only upon receipt by the party to be notified.

If to Nationwide: Nationwide Life Insurance Company
and/or Nationwide Life and Annuity Insurance Company
Attn: NF Licensing, Registrations & Commissions,
Associate Vice President
5100 Rings Road, RR1-02-F6
Dublin, OH 43017

If to Nationwide (AML or OFAC reporting only):

Nationwide Life Insurance Company and/or
Nationwide Life and Annuity Insurance Company Attn:
Office of Compliance, FCSC 1-33-401
One Nationwide Plaza
Columbus, OH 43215
Phone: 1-877-406-4747
E-mail: BDRQST@nationwide.com

If to the Agent:

Effective Date

This Agreement shall take effect when the following conditions are met:

- this Agreement is signed by an Assoc. Vice President of Nationwide;
- this Agreement is signed by a representative of Agent authorized to bind the Agent;
- the Agent has satisfied the licensing requirements of the state(s)

where the Agent proposes to market Nationwide Insurance Products;

- The Agent has produced business on behalf of Nationwide.

Governing Law

This Agreement shall be governed by the laws of the State of Ohio. It shall be construed in accordance with Ohio law applicable to contracts made and to be performed there.

Entire Contract

This Agreement constitutes the entire agreement by and among the parties and no party shall be bound by any other promise, contract, understanding or representation unless it is made by an instrument in writing, signed by an Associate Vice President of Nationwide or in the case of the Agent a party who is authorized to bind the Agent.

Acknowledgement

By executing this Agreement, the Agent acknowledges that he/she has read the Agreement in its entirety and is in agreement with the terms and conditions outlined therein which describe the rights of the parties under this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

Printed Name of Agent: _____

Signature of Agent: _____

**NATIONWIDE LIFE INSURANCE COMPANY
NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY**

By: _____

Title: Associate Vice President



Nationwide®

**Nationwide Financial
Independent Agent Information Form**
Nationwide Life Insurance Company
Nationwide Life and Annuity Insurance Company

PO Box 182835, Columbus, OH 43218-2835
Phone: 800-321-6064 • Fax: 866-311-3898 • nationwide.com

ALL INFORMATION IS REQUIRED UNLESS NOTED AS "If Applicable" • Please print legibly or type

1. Demographic Information

Full Name (exactly as shown on insurance license): _____

SSN: _____ Date of Birth: _____ Residential Phone: _____

Residential Address: _____

City: _____ State: _____ ZIP: _____

State(s) where business will be sold: _____

NOTE: Broker/Dealer/Firm must be licensed/appointed in the state(s)

Producer's Office Address: _____

City: _____ State: _____ ZIP: _____

Business Phone: _____ Business Fax: _____

Business Cell: _____ Business Email: _____

2. Background Information - MUST BE COMPLETED BY PRODUCER

Please attach a detailed letter of explanation and provide supporting documents for any "Yes" answer to the following questions:

| Question | YES | NO |
|---|--------------------------|--------------------------|
| 1. Have you ever been convicted of, pled no contest to, or are currently under indictment or have a case pending for any felony or misdemeanor excluding minor traffic violations? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are you currently indebted to any insurance company? Do you, or any company you control, currently have or ever had a bankruptcy, unsatisfied judgments, liens, or garnishments against you? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Have you, or any company you control, ever been the subject of any litigation, arbitration, or E&O claim, had a complaint filed against you, or have any of the above pending? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Have you ever had an appointment cancelled by an insurance company for reasons other than a lack of production? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Has any Broker/Dealer, Investment Advisory firm or financial institution (bank, etc.) ever terminated your registrations or employment for any reason other than lack of production? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Have you, or any company you control, ever been suspended, barred, investigated, disqualified or disciplined by any state or federal agency or any self regulatory organization? | <input type="checkbox"/> | <input type="checkbox"/> |

3. Signature (required)

I hereby authorize Nationwide, its affiliates and subsidiaries including its agents, to make an independent investigation of my background, references, character, past employment, education, criminal or police records, disciplinary matters including those mandated by public and private organizations, the central registration depository ("CRD"), the investment adviser registration depository ("IARD"), and all public records for the purpose of confirming the information contained on my application and/or obtaining other information which may be material to my qualifications for appointment.

I release Nationwide and/or its agents and any person or entity, which provides information pursuant to this authorization, from any and all liabilities, claims or lawsuits in regard to the information obtained from any and all of the above referenced sources used.

I affirm that all of the information provided on the foregoing statement is true, accurate and complete to the best of my knowledge. Should any of the information change, I will promptly notify Nationwide in writing.

Producer's Name (Please Print): _____

Producer's Signature: _____ Date: _____

NOTE: All calls to our Sales and Service Center may be recorded to ensure excellent service.



Nationwide Commission ACH Payment Form
Nationwide Life Insurance Company
Nationwide Life and Annuity Insurance Company

P.O. Box 182021. Columbus, OH 43218-2021

Phone: 800-321-6064 Fax: 866-311-3898 askagree@nationwide.com

1. General Information (please print)

To receive your commission payments via ACH, please complete the following information:

Independent Agent Name: _____

Name on Bank Account: _____

Annuity Commissions (if applicable):

Bank Name: _____

ABA Number: _____ Account Number: _____

Account Type: Checking Savings

Life Commissions (if applicable): *If the same as Annuity Commissions please check here.*

Bank Name: _____

ABA Number: _____ Account Number: _____

Account Type: Checking Savings

Note: To assure accuracy, please include a voided check with this form.

2. Signature(s) (required)

By signing below, you attest that your bank account is set up utilizing your individual Social Security Number and not a Corporate Tax ID. You hereby acknowledge that this authorization does not constitute an assignment and that a 1099 will be issued to the individual that earned the compensation, regardless of the name on the bank account. Please be sure that the routing information provided is the routing number that your financial institution uses to receive electronic funds via ACH (Direct Deposit).

Note: If the owner is an organization, an authorized office of the organization must sign and list his/her title.

I authorize Nationwide and its affiliates to electronically deposit all commission payments due into the bank account indicated. To repay any overpayment erroneously credited to my account during or after my lifetime, I authorize and direct the bank, designated above, to debit my account and refund such overpayment to Nationwide. I discharge Nationwide from any further liability for any payments deposited to my account by Nationwide under this authorization.

I understand Nationwide may terminate this direct deposit arrangement at any time and for any reason, and may make commission payments by check.

Joint Account Owners: If this is a joint account, I understand that authorization by one account owner constitutes authorization by all account owners, whether a current owner of this account or added after the agreement is signed.

This authorization is to remain in effect until Nationwide receives advance notification in writing from me of its termination or a new signed Commission ACH Payment Form. It is understood that such notification or new authorization must be provided and received by Nationwide in such time and manner as to afford Nationwide a reasonable opportunity to act upon it.

Account Owner Signature: _____ Date: _____

Name and Title: _____

E-mail Address: _____ Phone Number: _____

3. Form Return

Please complete and submit form to:

Nationwide Financial Agreement Services

Email: askagree@nationwide.com

Fax: 866-311-3898

Phone: 800-321-6064 ext. 435-3047

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

| | | |
|---|--|--|
| Print or type See Specific Instructions on page 2. | Name (as shown on your income tax return) | |
| | Business name/disregarded entity name, if different from above | |
| | Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____ | Exemptions (see instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ |
| | Address (number, street, and apt. or suite no.) | Requester's name and address (optional) |
| | City, state, and ZIP code | |
| List account number(s) here (optional) | | |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

| Social security number | | | | | | | | | |
|------------------------|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

| Employer identification number | | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) 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 (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must 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 on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

| | | |
|------------------|----------------------------|--------|
| Sign Here | Signature of U.S. person ▶ | Date ▶ |
|------------------|----------------------------|--------|

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

What is FATCA reporting? The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Note. Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

Exempt payee code. Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

| IF the payment is for . . . | THEN the payment is exempt for . . . |
|--|---|
| Interest and dividend payments | All exempt payees except for 7 |
| Broker transactions | Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012. |
| Barter exchange transactions and patronage dividends | Exempt payees 1 through 4 |
| Payments over \$600 required to be reported and direct sales over \$5,000 ¹ | Generally, exempt payees 1 through 5 ² |
| Payments made in settlement of payment card or third party network transactions | Exempt payees 1 through 4 |

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

| For this type of account: | Give name and SSN of: |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, the first individual on the account ¹ |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor ² |
| 4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law | The grantor-trustee ¹ The actual owner ¹ |
| 5. Sole proprietorship or disregarded entity owned by an individual | The owner ³ |
| 6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A)) | The grantor* |
| For this type of account: | Give name and EIN of: |
| 7. Disregarded entity not owned by an individual | The owner |
| 8. A valid trust, estate, or pension trust | Legal entity ⁴ |
| 9. Corporation or LLC electing corporate status on Form 8832 or Form 2553 | The corporation |
| 10. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 11. Partnership or multi-member LLC | The partnership |
| 12. A broker or registered nominee | The broker or nominee |
| 13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |
| 14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B)) | The trust |

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

**RELEASE AUTHORIZATION AND
FAIR CREDIT REPORTING ACT DISCLOSURE
[FOR CONDUCTING BUSINESS TRANSACTIONS]**

I _____ am requesting an appointment with Nationwide and acknowledge Nationwide may now, or at any time while a business relationship exists, make an independent investigation, including an investigative consumer report, of my background, references, character, past employment, education, criminal or police records, including those mandated by both public and private organizations and all public records for the purpose of confirming the information contained on my application and/or obtaining other information which may be material to my qualifications for appointment.

Please be advised that you have the right to request, in writing, within a reasonable time, that Nationwide make a complete and accurate disclosure of the nature and scope of the information requested.

In the event that information from the report is utilized in whole or in part in making an *adverse decision*, before making the adverse decision, Nationwide will provide to you a copy of the consumer report and a description in writing of your rights under the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*

Additional information concerning the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*, is available at the Consumer Financial Protection Bureau's web site (www.consumerfinance.gov/learnmore) or by writing to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20006.

By signing below, I hereby authorize all entities having information about me, including present and former employers, personal references, criminal justice agencies, departments of motor vehicles, schools, licensing agencies, and credit reporting agencies, to release such information to Nationwide or any of its affiliates. I acknowledge and agree that this Release and Authorization shall remain valid and in effect during the term of my business relationship.

For Maine and New York Applicants Only

Upon request, you will be informed whether or not a consumer report was requested, and if such a report was requested, the name and address of the consumer reporting agency furnishing the report.

Maine residents will be provided a copy of your rights under the Maine Fair Credit Reporting Act.

For Washington Applicants Only

The consumer reporting agency which furnished the report is Business Information Group, P.O. Box 541, Southampton, PA, 18966; for consumer compliance officer contact 800-260-1680.

For California, Minnesota, and Oklahoma Applicants Only

A consumer credit report will be obtained through Business Information Group, P.O. Box 541, Southampton, PA, 18966.

If a **consumer credit report** is obtained, I understand that I am entitled to receive a copy. I have indicated below whether I would like a copy.

Yes _____ No _____
 Initials Initials

If an **investigative consumer report** and/or consumer report is processed, I understand that I am entitled to receive a copy. I have indicated below whether I would like a copy.

Yes _____ No _____
 Initials Initials

***California applicants:** If you chose to receive a copy of the consumer report, it will be sent within three (3) days of the employer receiving a copy of the consumer report and you will receive a copy of the investigative consumer report within seven (7) days of the employer's receipt of the report (unless you elected not to get a copy of the report).

Date: _____ Signature of Applicant: _____

Print Name: _____

Business Associate Agreement

Effective Date: _____

This Business Associate Agreement (this “Agreement”) is entered into on the “Effective Date” indicated above by and between the Business Associate and Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company (together the “Covered Entity”), each individually referred to herein as a “Party” or collectively the “Parties.” The Parties have entered into this Agreement for purposes of complying with the federal Health Insurance Portability and Accountability Act of 1996 and its implementing Privacy, Security, Breach Notification, and Enforcement Rules found at 45 C.F.R. Parts 160 and 164, as adopted by HHS and as they may be amended from time to time (the “HIPAA Rules” or “HIPAA”).

RECITALS

WHEREAS, Business Associate provides insurance product distribution and sales services on behalf of Covered Entity (“Services”);

WHEREAS, in connection with Services, Covered Entity discloses to Business Associate, or Business Associate collects on behalf of Covered Entity, PHI that is subject to protection under the HIPAA Rules; and

WHEREAS, the HIPAA Rules require that Covered Entity receive adequate assurances that Business Associate will comply with certain obligations with respect to the PHI received in the course of providing services to or on behalf of Covered Entity.

NOW THEREFORE, in consideration to the mutual promises and covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- I. Definitions.** For purposes of this Agreement, the terms below shall have the meanings given to them in this Section. The terms used in the Agreement that are not otherwise defined shall have the meaning assigned to those terms in HIPAA, including its statute, regulations, and other official government guidance. To the extent HIPAA or a regulation is amended, this Agreement shall be modified automatically with regard to the Agreement’s defined terms and undefined terms to correspond to the meaning of the terms as defined in HIPAA and/or applicable regulations.
 - A. Breach Notification Rule** shall mean the regulations and applicable subparts found at 45 C.F.R. Part 164.
 - B. Breach of Unsecured PHI** shall have the meaning given to the terms “Breach” and “Unsecured Protected Health Information” at 45 C.F.R. § 164.402.
 - C. Business Associate** shall have the same meaning as the term “business associate” at 45 C.F.R. 160.103, and in reference to the Party to this Agreement, as defined above.
 - D. Covered Entity** shall have the same meaning as the term “covered entity” at 45 C.F.R. 160.103, and in reference to the Party to this Agreement, as defined above.
 - E. Data Aggregation** shall have the meaning given to that term at 45 C.F.R. § 164.501.
 - F. Electronic Transactions Rule** shall mean the final regulations issued by HHS concerning standard transactions and code sets under 45 C.F.R. Parts 160 and 162.
 - G. Electronic Protected Health Information (“Electronic PHI”)** shall have the meaning given to that term at 45 C.F.R. § 160.103.
 - H. HHS** shall mean the U.S. Department of Health and Human Services.
 - I. HIPAA Privacy Rule** shall mean the regulations and applicable subparts found at 45 C.F.R. Parts 160 and 164, as may be amended from time to time.
 - J. HIPAA Security Rule** shall mean the regulations and applicable subparts found at 45 C.F.R. Parts 160 and 164, as may be amended from time to time.

- K. Protected Health Information (“PHI”)** shall have the same meaning given such term in 45 C.F.R. § 160.103 and is limited to information created, received, maintained, or transmitted by Business Associate from or on behalf of the Covered Entity pursuant to this Agreement.
- L. Required by Law** have the meaning given to that term at 45 C.F.R. § 164.103.
- M. Security Incident** shall have the meaning given to that term at 45 C.F.R. § 164.304. For the avoidance of doubt, “material Security Incident” shall not include any pings, port scans or other routine, non-material attempts at accessing Business Associate’s systems that in Business Associate’s reasonable determination do not compromise the security or privacy of the Covered Entity’s PHI.

II. Privacy and Security of Protected Health Information.

A. Permitted Uses and Disclosures. Business Associate is permitted to use and disclose PHI only as set forth below:

- 1. Except as otherwise provided in this Agreement, Business Associate may create, maintain, receive, transmit, store, use or disclose PHI as reasonably necessary to carry out its duties under the Agreement, or to provide Services described herein, or as Required by Law.
- 2. In connection with the Services provided by Business Associate to or on behalf of Covered Entity, Business Associate shall make reasonable efforts to use, disclose, and request of Covered Entity only the minimum amount of PHI reasonably necessary to accomplish the intended purpose of the use, disclosure, or request. Business Associate agrees to comply with HIPAA minimum necessary requirements at 45 C.F.R. § 164.502(b).
- 3. Except as otherwise limited by this Agreement, Business Associate may also:
 - a. Use PHI in its possession for the proper management and administration of Business Associate or to carry out its legal responsibilities.
 - b. Disclose PHI in its possession for the proper management and administration of Business Associate or to carry out its legal responsibilities, provided that (i) such disclosures are Required by Law; or (ii) Business Associate obtains in writing and prior to making any disclosure to a third party (a) reasonable assurances from such third party that PHI will be held confidential as provided under this Agreement and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to such third party; and (b) an agreement from such third party to promptly notify Business Associate of potential breaches of the confidentiality of PHI or Breach of Unsecured PHI.
- 4. Except as otherwise limited by this Agreement, Business Associate may perform Data Aggregation services to Covered Entity relating to its health care operations.

B. Prohibition on Unauthorized Use or Disclosure. Business Associate shall not use or disclose PHI in a manner other than as provided in the Agreement or as Required by Law. Business Associate will not use or disclose PHI in a manner that would violate applicable laws or regulations, including without limitation Subpart E of 45 C.F.R. Part 164, if such use or disclosure were to be done by Covered Entity.

C. Prohibition on Use or Disclosure of Genetic Information. Business Associate shall not use or disclose Genetic Information for underwriting purposes in violation of the HIPAA Rules.

D. Prohibition on Sale of PHI. Business Associate agrees to comply with 45 C.F.R. § 164.502 and agrees not to sell PHI.

E. Marketing and Fundraising. Business Associate shall be strictly prohibited from using any of Covered Entity’s PHI for marketing or fundraising purposes, except with Covered Entity’s prior written consent in each instance and in accordance with the HIPAA Rules applicable to covered

entities regarding marketing and fundraising, including any opt-out, notice and authorization requirements.

F. Information Safeguards.

- 1. Privacy of PHI.** Business Associate will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to protect the privacy of PHI. The safeguards must reasonably protect PHI from any intentional or unintentional use or disclosure in violation of the HIPAA Privacy Rule and limit incidental uses or disclosures made pursuant to use or disclosure otherwise permitted by this Agreement. Business Associate agrees to provide Covered Entity with information concerning such safeguards, as the Covered Entity may from time to time reasonably request. To the extent the parties agree that Business Associate will carry out directly one or more of Covered Entity's obligations under the HIPAA Privacy Rule, Business Associate will comply with the requirements of the HIPAA Privacy Rule that apply to the Covered Entity in the performance of such obligations.
- 2. Security of Covered Entity's Electronic PHI.** Business Associate will comply with the HIPAA Security Rule and will use appropriate administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic PHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity.
- 3. No Transfer of PHI Outside the United States.** Business Associate will not transfer PHI outside of the United States without the prior written consent of the Covered Entity. In this context, a "transfer" outside the United States occurs if Business Associate's workforce members, agents, or subcontractors physically located outside the United States are about to access, use, or disclose PHI.

G. Agreements with Agents or Subcontractors. In accordance with 45 C.F.R. § 164.502(e)(1)(ii) and § 164.308(b)(2), Business Associate shall ensure that any of its agents or subcontractors to whom it provides PHI under this Agreement agree in writing to comply with the provisions of the HIPAA Security Rule; to appropriately safeguard PHI created, received, maintained, or transmitted on behalf of the Business Associate; and to apply the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such PHI prior to use or disclosure of PHI to such agent or subcontractor.

H. Penalties for Noncompliance. Business Associate acknowledges that it is subject to civil and criminal enforcement for failure to comply with the HIPAA Privacy Rule, Security Rule and Breach Notification Rule, to the extent provided by the HIPAA Enforcement Rule.

III. Compliance with Electronic Transactions Rules. If Business Associate conducts in whole or part electronic Transactions on behalf of Covered Entity for which HHS has established standards, the Business Associate will comply, and will require any subcontractor it involves with the conduct of such Transactions to comply, with each applicable requirement of the Electronic Transactions Rule and of any operating rules adopted by HHS with respect to Transactions.

IV. Individual Rights.

A. Access to Records by the Subject of the Records. Business Associate agrees that if it maintains a Designated Record Set for Covered Entity that is not maintained by Covered Entity, it will permit an Individual to inspect or copy PHI about the Individual in that set as directed by the Covered Entity to meet the requirements of 45 C.F.R. § 164.524. Business Associate agrees that if it maintains PHI in an Electronic Health Record, it shall provide such access in electronic format if so requested by Individual.

B. Amendment of PHI. Business Associate agrees, if it maintains PHI in a Designated Record Set, to promptly make amendments to PHI at the request and direction of Covered Entity pursuant to 45

C.F.R. § 164.526. In the event any Individual (or Individual's personal representative) requests that Business Associate amend such Individual's PHI in a Designated Record Set, Business Associate shall forward such request to Covered Entity within ten (10) business days of receipt. Any amendment of, or decision not to amend, the PHI as requested by the Individual shall be determined by Covered Entity.

C. Accounting of Disclosures. Business Associate agrees to document such disclosures of PHI made by it and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI under 45 C.F.R. § 164.528. Upon request by Covered Entity, and in a reasonable time, manner and format (including an electronic copy), Business Associate agrees to provide to Covered Entity the following information:

1. The date of the disclosure.
2. The name and, if known, the address of the recipient of the PHI.
3. A copy of the request for disclosure, accompanied by any necessary consents or authorizations.
4. A brief description of the PHI disclosed.
5. A statement that would reasonably inform Covered Entity of the purpose of the disclosure.

In the event an Individual delivers a request for an accounting directly to Business Associate, Business Associate shall within ten (10) business days forward such request to Covered Entity. Covered Entity shall receive request and shall determine the manner for preparing and delivering any accounting requested.

D. Restriction Agreements and Confidential Communications. Covered Entity shall notify Business Associate of any limitations in the notice of privacy practices of Covered Entity under 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI. Business Associate will comply with any notice from Covered Entity to (1) restrict use of disclosure of PHI pursuant to 45 C.F.R. § 164.522(a), or (2) provide for confidential communications of PHI pursuant to 45 C.F.R. § 164.522(b), provided that Covered Entity notifies Business Associate in writing of the restriction or confidential communications obligations that Business Associate must follow. Covered Entity will promptly notify Business Associate in writing of the termination of any such restriction or confidential communications requirement and, with respect to termination of any such restriction, instruct Business Associate whether any of the PHI will remain subject to the terms of the restriction agreement.

E. Availability of Books and Records. Business Associate shall make its internal practices, books, and records relating to uses and disclosures of PHI available to the Secretary of HHS for purposes of determining compliance with this Agreement and the HIPAA Rules.

V. Breaches and Security Incidents

A. Reasonable Diligence. Business Associate agrees that it shall exercise reasonable diligence to detect a Breach of Unsecured PHI, and provide training and procedures through which its employees, agents and representative are encouraged to detect and report any Breach of Unsecured PHI to Business Associate.

B. Breach of Unsecured PHI. Business Associate will report to Covered Entity by email at privacy@nationwide.com any Breach of Unsecured PHI without unreasonable delay, but no case more than fifteen (15) calendar days, after discovery of such Breach. Business Associate agrees to provide such report in the manner and with the content required by 45 C.F.R. § 164.410. Business Associate agrees that it shall be the sole decision of Covered Entity to correspond with or notify Individuals regarding potential or actual Breaches of Unsecured PHI, unless Covered Entity directs Business Associate to make such correspondences or notices. Covered Entity reserves the right to direct Business Associate to notify Individuals, HHS and/or the media at Business Associate's expense, of a Breach of Unsecured PHI that occurs as the result of Business Associate's actions or omissions.

- C. Impermissible Use/Disclosure and Security Incidents.** Business Associate will report to Covered Entity (i) any use or disclosure of PHI not permitted by this Agreement of which Business Associate becomes aware and (ii) any material Security Incident of which Business Associate becomes aware in accordance with 45 C.F.R. § 164.314(a)(2)(C). Such report will be made without unreasonable delay, but in no case shall be provided more than fifteen (15) calendar days after Business Associate discovers such non-permitted use or disclosure.
- D. Mitigation of Disclosures of PHI.** Business Associate shall mitigate, to the greatest extent practicable and at its own cost and expense, any harmful effect that is known to Business Associate of any use or disclosure of PHI by Business Associate or its agents or subcontractors in violation of the requirements of this Agreement.

VI. Term and Termination

- A. Term.** This Agreement shall be effective as of the Effective Date, and shall continue in effect until all obligations of the Parties have been met under this Agreement unless this Agreement is terminated earlier due to the violation of a material term as provide for in Section VI (B) below.
- B. Right to Terminate for Cause.** Each Party may terminate this Agreement if it determines that the other Party has violated a material term of this Agreement, and after written notice to the breaching Party of the violation, the breaching Party has failed to cure the violation within 30 calendar days after receipt of the notice. In addition, each Party may terminate this Agreement immediately if the other Party breached a material term of this Agreement and the non-breaching Party reasonably determines that cure is not possible. Any such termination will be effective immediately or at such other date specified in the non-breaching Party's notice of termination.
- C. Treatment of PHI on Termination.** Upon termination of this Agreement for any reason, all PHI maintained by Business Associate shall be destroyed or returned to Covered Entity (or other Party upon Covered Entity's direction) by Business Associate in the manner and format required by Covered Entity at no additional cost to Covered Entity. Business Associate shall not retain any copies of such information, unless instructed by Covered Entity or Required by Law. This provision shall also apply to PHI in the possession of Business Associate's agents and subcontractors. If return of the PHI is not feasible, Business Associate shall furnish Covered Entity notification in writing of the conditions that make return infeasible. Business Associate agrees to extend the protections of this Agreement and rights/obligations under this Agreement at no additional cost for as long as Business Associate retains such information and agrees to limit further uses and disclosures. This Section shall survive any termination of this Agreement.

VII. Indemnity

Each Party shall indemnify, defend, and hold the other Party harmless, as well as their respective officers, directors, employees, agents, attorneys, affiliates, and subsidiaries, and their successors and assigns, from any loss, claim, damage, cost, or expense, including but not limited to reasonable attorney's fees and costs, that arise out of or result from the indemnifying Party's or the indemnifying Party's agents' or subcontractors' uses and/or disclosures of PHI in violation of 45 C.F.R. parts 160 and 164.

The indemnifying Party obligations under this Section are conditioned upon the following:

- A.** The indemnified Party giving the indemnifying Party prompt written notice of any claim, action, suit, or proceeding for which the indemnified Party is seeking indemnity;
- B.** The indemnified Party granting control of the defense to the indemnifying Party; and
- C.** The indemnified Party reasonably cooperating with the indemnifying Party at the indemnifying Party's expense.

VIII. General Provisions.

- A. Amendment to Agreement.** This Agreement may be amended only by written instrument signed by the parties. In case of a change in applicable law, the parties agree to negotiate in good faith to adopt such amendments as are necessary to comply with the change in law.
- B. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile or Portable Document Format (PDF) copies shall be deemed to be originals.
- C. Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to its subject matter and constitutes and supersedes all prior agreements, representations and understandings of the parties, written or oral, with regard to this same subject matter.
- D. Interpretation.** Any ambiguity in the Agreement shall be resolved to permit Covered Entity and Business Associate to comply with the applicable requirements under the HIPAA Rules.
- E. Notices.** Unless otherwise stated herein, all notices to be given by Business Associate under this Agreement shall be made to the address and/or telephone number below:
- Nationwide Mutual Insurance Company
One Nationwide Plaza, 1-32-202
Attention: Office of Privacy
Columbus, OH 43215
(866) 289-2323
- F. No Agency Relationship.** Parties expressly agree and assert that no agency relationship is created by this Agreement with regard to Business Associate's HIPAA obligations. Parties agree that each individual Party shall maintain its own independent HIPAA compliance obligations. Parties will be providing their services as separate legal entities and independent contractors.
- G. No third-party beneficiaries.** Nothing in this Agreement shall be construed as creating any rights or benefits to any third parties.
- H. Regulatory References.** A reference in this Agreement to a section in HIPAA shall mean a reference to the provision as in effect or as amended.
- I. Severability.** The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
- J. Governing Law.** This Agreement shall be construed and the provisions hereof interpreted under and in accordance with the laws of the State of Ohio, without regard to its conflict of laws provisions or principles.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Business Associate and the Covered Entity have executed this Agreement as of the Effective Date.

Business Associate

**Nationwide Life Insurance Company and
Nationwide Life and Annuity Insurance Company**

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

Business Practices and Compliance Guide



Nationwide Life Insurance Company Nationwide Life and Annuity Insurance Company

Updated October 26, 2016

For Insurance Professional Use Only

The rules, policies and procedures of this Guide apply only to the sale, solicitation and negotiation of Nationwide's life insurance and annuity products.

This Guide is not a contract and is not intended to create any contractual rights in favor of the Agent or Nationwide. The Guide does not alter the current relationships between the Agent and Nationwide. Furthermore, Nationwide Life Companies reserve the right to change, alter or amend any portion of this Guide at its discretion at any time.

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1. Definitions

Agent of Record – the Insurance Professional currently listed on the life Insurance or annuity contract and/or authorized to service the contract

Applicant – an individual applying for an insurance product

Business Associate Agreement – the agreement between Nationwide Life Companies and the Insurance Professional that is required when selling a long term care insurance contract with some of its life insurance products (e.g., CareMatters)

Client – an existing customer of an Insurance Professional

Consumer – a broad term to describe an individual that may be an insurance prospect, an applicant for an insurance product, or an existing contract owner or policy owner of the Nationwide Life Companies or another insurance company

Contract Owner – the owner of an annuity contract issued by the Nationwide Life Companies

Insurance Product(s) – an unregistered (a.k.a. fixed) annuity contract and/or life insurance policy

Insurance Professional – Insurance Professional is used broadly and includes a general agent and/or a licensed Insurance Professional

Nationwide Life Companies – Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company, or their successors and assigns

Nationwide[®] – refers broadly to Nationwide the organization and not any particular underwriting company

Policy Owner – the owner of a life insurance policy issued by the Nationwide Life Companies

Rules and Regulations – state and federal insurance laws, rules and regulations that are applicable to insurance activities

Selling Agreement – the Master Distributor Agreement, Master Sub-Distributor Agreement, Marketing Agreement, General Agent Agreement or Independent Agent Agreement between the Nationwide Life Companies and the Insurance Professional

2. Overview and Purpose

The objective of this Business Practices and Compliance Guide (collectively referred to as the “guide”) is to establish policies designed to achieve compliance with state and federal rules and regulations and to detect and prevent violations of those rules and regulations and the internal policies and procedures of Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company (“Nationwide Life Companies”). The policies and procedures in this guide govern the activities of Insurance Professionals. All Insurance Professionals are required to comply with the policies and procedures set forth in this guide, state laws, rules and regulations, and any other applicable Nationwide® policies and procedures.

This guide is not to be construed as inclusive of all laws, rules, regulations, and policies of the various regulatory agencies, but rather as a guide to conduct daily insurance business. This guide does not replace, or supersede, any language contained in the Selling Agreement. Additionally, if the Insurance Professional maintains a securities license, it is the responsibility of the Insurance Professional to also follow the policies and procedures set forth by his/her member firm.

Nationwide’s commitment to compliance with applicable laws, rules, regulations and our policies and procedures begins with Insurance Professionals who are committed to observing high standards of behavior. The Nationwide Life Companies expect quality life insurance business with excellent persistency from the Insurance Professionals who sell Nationwide’s products. This can be achieved by soliciting business in a professional and ethical manner, by providing consumers with an assessment of the need for Nationwide products and by timely servicing contract or policy owners.

When necessary, the Nationwide Life Companies may publish revisions to this guide by issuing a Compliance Bulletin. All Insurance Professionals who receive a communication from the Nationwide Life Companies must review the document and comply with any revisions to the guide. Information regarding any updates or policy changes can be found at Nationwidefinancial.com in Sales and Service Center under the Advisor Support Services section of the website. Failure to comply with changes to policies and procedures communicated in Compliance Bulletins is prohibited and may result in disciplinary action, up to and including the cancellation/termination of the Insurance Professional’s appointment and contract with Nationwide. You can access this Guide at any time online at nationwidefinancial.com.

3. Licensing and Appointments

Soliciting or conducting insurance business includes speaking generally about a company or product, providing quotes and/or proposals and illustrations, taking applications and receiving premium payments, or explaining policy provisions to an applicant or consumer.

In order to solicit insurance business, including receiving subsequent premium payments from contract or policy owners to fund existing contracts or policies, Insurance Professionals must be:

- Licensed in the state where solicitation occurs
- Licensed in the state where the application is completed and executed
- Licensed in the state where the Trust is domiciled
- Appointed with the applicable Nationwide Life Company

If an Insurance Professional is not properly licensed and appointed with the Nationwide Life Companies, commissions on the sale of insurance products cannot be paid to the Insurance Professional.

a. Licensing Requirements

Rules and regulations require that Insurance Professionals have a valid state insurance license, and be properly appointed with an insurance company, to offer, market, sell, and distribute, insurance business in a state and receive a commission either directly or indirectly from that sale. If an Insurance Professional is in the business of advising clients on replacing any securities or variable products, Nationwide requires that Insurance Professionals have the appropriate securities license. Nationwide reserves the right to request that the Insurance Professional provide additional information and existing account documentation to validate the recommendation to purchase Nationwide life and annuity products.

Each state issues its own insurance licenses, which are valid only in that state for specified line(s) of business, such as life, accident and health, variable contracts, and long-term care insurance. States typically require Insurance Professionals to successfully complete pre-licensing requirements, pass a state insurance licensing exam, complete a license application, and receive the physical license from the state before soliciting.

b. Maintaining a License

Insurance Professionals must maintain a valid insurance license in their resident state. To solicit insurance business outside of the Insurance Professional's resident licensed state, Insurance Professionals must also possess the appropriate non-resident license(s). Insurance Professionals must renew their resident and non-resident licenses periodically as required by each state's regulations.

It is the Insurance Professional's responsibility to ensure that he/she takes all necessary action to obtain and keep the license effective. Insurance Professionals must complete any state required continuing education in order to keep their license active. Insurance Professionals are responsible for knowing, understanding, and complying with the applicable rules and regulations of the state in which he/she does business.

Insurance Professionals shall not solicit the purchase of an annuity or insurance product unless the Insurance Professional has the appropriate license, adequate knowledge of the product to recommend the annuity or insurance product and the Insurance Professional is in compliance with the Nationwide Life Companies' standards.

c. Appointment and Notification Requirements

An appointment is an authorization given by an insurance company to an Insurance Professional to represent that company for a particular line of business in a specific state. These authorizations are usually filed with the state department of insurance. Therefore, each insurance company, in each state where the Insurance Professional solicits business, must generally appoint the Insurance Professional. Appointments through previous employers/entities are no longer valid once an Insurance Professional terminates the relationship. Insurance Professionals must obtain new appointments through the Nationwide Life Companies.

Insurance Professionals must be licensed to sell all insurance products offered by Nationwide Life Companies. Insurance Professionals who do not have an existing state license will be directed to procure the state license before completing any pre-appointment paperwork.

Upon request for appointment, the Insurance Professional must complete the Background Investigation Consent and Release Form so the Nationwide Life Companies can ascertain his or her good character, business qualifications, and experience.

The Nationwide Life Companies, at its sole discretion, may choose to accept or deny any appointment request.

3.1. Errors and Omissions Insurance

Insurance Professionals shall maintain sufficient fidelity bond coverage (including coverage for larceny and embezzlement) and errors and omissions insurance coverage as may be required under applicable law. The amount of coverage must be acceptable to the Nationwide Life Companies and proof of coverage must be provided upon request.

3.2. Contracting

Insurance Professionals must have the proper authority to execute a Selling Agreement as well as have the necessary contractual agreements in place to receive payment for the sale of any insurance product. In order to receive any compensation, the Insurance Professional must be licensed and appointed with the applicable Nationwide Life Company in the policy issue state at the time of policy issue.

An Insurance Professional's authority shall not extend further than stated in the executed Selling Agreement, nor shall the Insurance Professional:

1. Create, waive, or change any question, statement, or answer on any application during the appointment process, the Selling Agreement, any application for an insurance product, the terms of any receipt given thereon, or the terms of any policy or contract
2. Extend or waive any provision of any policy or the time for payment or premiums
3. Deliver any policy unless the health of the insured or annuitant is substantially unchanged from the date of the application
4. Incur any debts or liability for or against the Nationwide Life Companies
5. Receive any money for the Nationwide Life Companies except premiums as authorized in the Selling Agreement
6. Misrepresent, or fail to disclose accurately, the terms or nature of the insurance products offered by the Nationwide Life Companies
7. Solicit business in a state where the policy is not approved for sale
8. Violate any published policy of the Nationwide Life Companies regarding viatical sales

3.3. Recruiting

A general agent may recommend duly licensed Insurance Professionals to solicit insurance products offered by the Nationwide Life Companies. The Nationwide Life Companies, at its sole discretion, may choose to approve or deny any appointment request. The Nationwide Life Companies may terminate a relationship with an Insurance Professional at any time and for any reason.

3.4. Termination

Any party to the Selling Agreement may terminate the Selling Agreement in accordance with the terms of the Selling Agreement.

Insurance Professionals must immediately notify a licensing representative of the Nationwide Life Companies in writing when voluntarily terminating his/her association with the Nationwide Life Companies. Upon receipt of notification, the Nationwide Life Companies will promptly terminate the Insurance Professional's appointment(s).

Prohibited conduct, as outlined in Section 9 of this guide, by an Insurance Professional may result in the Nationwide Life Companies terminating the Selling Agreement, submitting a termination for cause recommendation to a state department

of insurance, reporting the conduct to a state and/or federal agency governing insurance, initiating legal action, and/or rescinding an existing annuity contract or life insurance policy.

a. Termination for Cause

The Selling Agreement with the Nationwide Life Companies provides full details regarding automatic termination of the Selling Agreement or the ability for any involved party to terminate the Selling Agreement with cause. Any conduct by an Insurance Professional that the Nationwide Life Companies identifies as warranting termination for cause will be decided by the Nationwide Life Companies. Nationwide Life Companies will refer to each individual state Statute to determine when termination for cause is applicable.

4. Professional Designations

Insurance Professionals must comply with the applicable state laws and regulations regarding professional designations in the state(s) in which the Insurance Professional is licensed. Insurance Professionals who have satisfied designation requirements and are current with the designations' continuing requirements may utilize professional designations. The Insurance Professional may not use professional designations in a false or misleading manner. If an Insurance Professional uses a professional designation in violation of a state regulation, the Insurance Professional may be subject to disciplinary action by the Nationwide Life Companies including, but not limited to, termination of the Selling Agreement.

5. Marketing and Solicitation

a. Marketing, Advertising, and Communication

To maintain the highest level of trust and integrity, it is imperative that all sales efforts are conducted with the highest ethical standard and deal fairly with the public. Insurance Professionals must represent completely and truthfully the terms, conditions, features, benefits, costs, charges, and risks associated with the insurance products offered by the Nationwide Life Companies. Insurance Professionals are prohibited from making false, exaggerated, or misleading statements. To ensure communications are not misleading, the following guidelines should be followed:

- Statements must not be misleading within the context which they are made
- Consider the nature of the audience to which the communication is directed
- Communications must be clear and must not contain material omissions
- Communications must provide an accurate and complete presentation of tax implications or investments characterized as tax-free or tax-exempt, including disclosure of any applicable fees
- Any marketing or advertising used to solicit insurance products must be provided by the Nationwide Life Companies or approved by the Nationwide Life Companies prior to use

Insurance Professionals may only use the marketing, advertising, and sales literature that has been provided by the Nationwide Life Companies and approved. Any marketing, advertising, and sales literature, including but not limited to internet websites and/or social media outlets, which refer to the Nationwide Life Companies or any insurance product offered through the Nationwide Life Companies must be submitted for written approval prior to its use. To obtain approval, the Insurance Professional should contact the Brokerage General Agency (BGA), Independent Marketing Organization (IMO) or agency whom he/she is affiliated with.

Distributing (or in any way sharing) internal materials to consumers, including materials marked “for internal use only,” “for broker-dealer use only,” “for Insurance Professional use only,” or similar forms is prohibited.

Insurance Professionals do not have the authority to use, alter, amend or remove any trade name, brand, trademark or service mark of the Nationwide Life Companies or any affiliate (collectively referred to as “trademarks”) from any product or other property of the Nationwide Life Companies without prior written approval.

Insurance Professionals may not use any property of the Nationwide Life Companies or any affiliate, including but not limited to trademarks, policy forms, applications, marketing materials, records, manuals, or supplies after termination of the Selling Agreement.

b. Foreign Language Marketing Materials

Creating, using, or translating any foreign language marketing, advertising, sales literature, correspondence or electronic communications in association with the solicitation, sale or servicing of insurance products offered by the Nationwide Life Companies is prohibited.

Unless provided by the Nationwide Life Companies, all communications with the public must be written in the English language.

Insurance Professionals should refer to the Life Underwriting Requirements Guide for the procedure to follow when he/she is not multi-lingual and is writing the occasional application on a non English speaking applicant and the assistance of an interpreter is necessary.

5.1. Solicitation

Insurance Professionals may only solicit applications for the insurance products offered by the Nationwide Life Companies in those states in which such products are approved and they are licensed to do so. Insurance Professionals should contact their Brokerage General Agency (BGA), Independent Marketing Organization (IMO) or agency whom he/she is affiliated with to inquire about insurance products approved in their state.

Insurance Professionals must have the appropriate credentials (insurance licenses and/or appointment in every state in which insurance business is solicited, as described in Section 3 of this guide). These credentials include the completion of any training that is required in order to maintain the license(s) and appointment(s). Individuals not appointed or licensed with Nationwide Life Companies are prohibited from soliciting clients on behalf of an Insurance Professional. The Nationwide Life Companies deem that insurance solicitation occurs when a specific insurance product is discussed:

- In a presentation
- In person
- During a telephone conversation
- In an e-mail message or text message
- In documents mailed to consumers
- In any marketing or advertising message
- In any other form of communication
- Any social media format

In addition, the Nationwide Life Companies require that Insurance Professionals have a license in the consumer's resident state even if the Insurance Professional does not reside there.

a. Selling to Seniors

With the aging U.S. population, it is increasingly important for an Insurance Professional to make sure an annuity or life insurance sale is appropriate using due diligence and needs assessment practices as well as incorporating additional factors including, but not limited to the following:

- Can the consumer afford to pay the premiums on the policy for as long as the premiums are due?
- Is the consumer currently employed? If so, for how much longer?
- What are the consumer's primary expenses?
- Is the consumer living on a fixed income? Does the consumer anticipate doing so in the future?
- How important is the liquidity of income generating assets to the consumer?
- What type of health care insurance does the consumer have? Will the consumer be relying on investment assets for anticipated and unanticipated health costs?

It is the Insurance Professional's responsibility, if using a professional designation, to make sure the designation is approved in the state where the Insurance Professional is licensed and be familiar with any words or phrases that should be avoided.

While seminars may be used as a legitimate marketing tool, there has been a growing regulatory concern about the increase of seminars targeting senior citizens. It is the Insurance Professional's responsibility to make sure any seminar is positioned appropriately with full transparency regarding the purpose of the event and that the marketing and sales tactics are ethical and compliant.

Insurance Professionals should be aware of the impact a consumer's diminished capacity (i.e., the decline of a consumer's physical and cognitive functionality) can have on his/her ability to make financial decisions. Some practices to keep in mind are, but not limited to the following:

- Consulting with appropriate Professionals to prepare documents (e.g., Will, Power of Attorney, Health Care Proxy, Living Will).
- Designate a secondary or emergency contact for the account.
- Invite a friend or family member to accompany the consumer to appointments.

5.2. Record Keeping

It is the responsibility of the Insurance Professional to maintain complete and accurate books, files, and records (collectively referred to as "records"). The Nationwide Life Companies have the right to examine, inspect, and copy these records. The records shall be (1) maintained by the Insurance Professional, as prescribed by all the states in which he/she does business or (2) delivered to the Nationwide Life Companies for safe keeping.

The Insurance Professional shall cooperate and use its best efforts to provide such records as the Nationwide Life Companies may require in connection with the Selling Agreement, as the result of a consumer complaint, or as the result of a regulatory examination or inquiry, civil litigation, and or arbitration.

a. Record Retention

It is important to maintain and make available upon request to the Company a record of client information collected and whether the client elected to purchase a life insurance policy or annuity contract. Certain documents should always be maintained:

- Original sales proposals;
- A copy of any needs analysis completed during the solicitation;
- A copy of any sales material and advertisements used during the sales process;
- Suitability information provided by the applicant and the basis for the Insurance Professional's recommendation;
- Any written correspondence to or from the applicants/contract owners regarding the solicitations, issuance of the contract or subsequent service of the contract;
- Documentation of phone calls to or from the applicants/contract owners addressing the above issues;
- Notes from meetings with the applicants/contract owners; and
- A copy of the signed delivery receipt (if applicable)

State regulations vary regarding the length of time that client files are to be maintained. However, a general rule of thumb is to maintain all active client files indefinitely and all inactive client files for seven (7) years. Records should be maintained in accordance with prudent record keeping practices and in compliance with all federal and state privacy and security standards.

If the Insurance Professional maintains a securities license, it is the responsibility of the Insurance Professional to ensure the Books and Records requirements of his/her member firm are being followed.

6. New Business Submission

When engaging in a financial transaction on behalf of Nationwide Life Companies, it is important to properly identify your client. During the application process you are expected to collect the following information:

- Name
- Date of birth
- Address
- Identification number (acceptable documentation):
 - U.S. Citizen: social security number, employer identification number, or valid driver's license number.
 - Non-U.S. Citizen: taxpayer identification number; passport number and country of issuance; alien identification card number; or government-issued identification showing nationality, residence and a photograph.
 - Corporation, partnership, trust, or other legal entity: employer identification number, government-issued business license, a partnership agreement, or trust agreement.

Insurance Professionals will find all the necessary information to underwrite a life insurance case in the Life Underwriting Requirements Guide. Insurance Professionals shall promptly forward to the Nationwide Life Companies all applications received in connection with the insurance products offered by the Nationwide Life Companies, regardless of the results of any medical examination. The Nationwide Life Companies, in its sole discretion, may reject or require the amendment of any application for insurance.

Any new application forms or checks not transmitted by the end of the day must be stored in a locked and secure location.

Consumers may pay for new purchases by submitting a personal check drawn on the account of the appropriate party (i.e., the beneficial owner of the insurance product) from a U.S. bank or other acceptable financial institution. Checks should be made payable to the Nationwide Life Company as indicated on the application. Additionally, credit card payments (both debit and traditional credit cards) will be accepted on an exception basis for fixed life insurance products offered by the Nationwide Life Companies.

Upon collection of premium, Insurance Professionals must:

- Transmit to the Nationwide Life Companies, within two business days of receipt, applications for a product and all amounts received for or on behalf of the Nationwide Life Companies
- Pay all premiums to the Nationwide Life Companies without offset or deduction
- Be responsible for instructing any associated person to remit the entire premium to the Nationwide Life Companies immediately upon receipt thereof, together with all applications and related information

When soliciting, submitting, or servicing insurance business, Insurance Professionals:

- Must provide all information to which a consumer is entitled
- Must disclose all potential and actual conflicts of interest when dealing with consumers
- May not engage in a fraudulent act or misrepresent contract/policy benefits, provisions, illustrations, or premiums
- May not misrepresent, or fail to disclose accurately, the terms or nature of any product or service offered by the Nationwide Life Companies or any affiliate, make or modify products on behalf of the Nationwide Life Companies or any affiliate, or waive any rights or requirements of the Nationwide Life Companies or any affiliate
- Must provide accurate quotations on premiums and interest rates for the proposed products. When required by product type, a complete, accurate, signed policy illustration must be provided to the Nationwide Life Companies and maintained in the Insurance Professional's client file
- Are prohibited from warranting or guaranteeing the future value or price of any insurance product, or indicating that any company, sponsor or issuer will meet its promises, predictions or obligations
- May not directly or indirectly rebate any portion of the premium to the annuitant/insured or to any other party
- May not induce or attempt to induce any contract/policy owner of the Nationwide Life Companies or any affiliate to relinquish, surrender, replace or lapse their contract/policy
- May not intentionally omit answers to questions on applications or answer "no" to medical questions on applications without specifically asking the consumer
- May not accept risks, determine insurability, or bind the Nationwide Life Companies or any affiliate in any way
- May not endorse, cash or deposit any check or draft made payable to the Nationwide Life Companies or any affiliate

- May not accept or deposit any check or draft for premiums made payable to any person or entity other than the Nationwide Life Companies
- May not extend or waive any provision of any contract/policy, extend or waive the time for payment of premiums, or accept the payment of past due premium
- May not settle any claim or claims related to the products offered by the Nationwide Life Companies
- May not perform any acts or exercise any authority on behalf of the Nationwide Life Companies or any affiliate other than as expressly authorized in the Selling Agreement, without prior written consent
- May not incur any indebtedness on behalf of the Nationwide Life Companies or any affiliate
- May not open any bank account or trust account on behalf of, for the benefit of, or containing the name of the Nationwide Life Companies or any affiliate
- May not commence any suit or action before any court or authority relating to any of the products offered by the Nationwide Life Companies
- May not directly or indirectly cause or attempt to cause any employee, agent or representative of the Nationwide Life Companies or any affiliate to terminate or alter his or her association with the Nationwide Life Companies or such affiliate
- The Insurance Professional may not, accept risks or contracts that bind the Nationwide Life Companies in any way, or initiate or respond to legal proceedings in the name of the Nationwide Life Companies.

6.1. Prohibited Forms of Payment and Transfers

Federal law requires reporting to FinCEN of all accumulated deposits of cash or currency in excess of \$10,000, or any transaction deemed suspicious. Insurance Professionals should be aware of any situation involving multiple checks or money orders for any amount, especially those in amounts less than \$10,000, which, in the aggregate, would exceed \$10,000. An Insurance Professional who becomes aware that the currency reporting requirements are being violated, or that anyone is assisting in evading such requirements, must report that information immediately by contacting the office of Financial Crimes and Sanction Compliance at 1-877-406-4747, by email at BDRQST@nationwide.com or by live mail to the Office of Compliance, FCSC 1-12-104.

Payment must be in U.S. funds drawn on a U.S. branch of the bank or financial institution. Foreign checks/currencies, or wires and ACH initiated from a foreign bank branch are not acceptable. Helping a customer structure a transaction to avoid reporting requirements is illegal and strictly forbidden. It is the Nationwide Life Companies policy NOT to accept the following forms of payment:

- Cash or currency of any kind
- Checks made payable to the Insurance Professional or the Insurance Professional's "doing business as" name
- Checks drawn from the Insurance Professional's account or any account over which the Insurance Professional has control
- Starter checks – any check without the preprinted name of the Applicant/Owner. These checks are used until the customer's regular checks arrive
- Personal checks without a wet signature – digital signature or rubber stamp is not acceptable
- Third party checks –
 - payment must be from the Owner/Applicant
 - checks payable to the Owner/Applicant directly – rollover checks should be payable to "Nationwide Life FBO: Owner/Applicant"
 - a check that is endorsed by one person (payee) to another person who becomes the holder and from which they can claim money
- Checks, wires or ACH originating from non-U.S. banks or a U.S. branch of a foreign bank
- Checks from a business account to fund a personal account, with the exception of a check from an employer to fund a retirement contribution for an employee
- Endorsed checks – a check that has been signed prior to receipt or is noted to be "For Deposit Only"
- Credit Card for annuities and variable insurance products

6.2. Replacements

Insurance products are sometimes purchased with the proceeds from the sale or redemption of a previously purchased product. This practice is commonly known in the industry as a “replacement.” Insurance Professionals may not recommend a replacement unless it will result in a benefit to the consumer. Factors to consider include, but are not limited to, affordability, insurability, sales charges and tax consequences, product features and general annuity contract death and annuity income benefits.

When a transaction involves a replacement, the Insurance Professional must make full and complete disclosure to the consumer regarding the product being purchased and the product being replaced. The consumer must be provided with the necessary information to analyze not only the advantages of the proposed new product, but also to analyze the disadvantages of replacing the existing product. Specifically, if the Insurance Professional is recommending an immediate annuity to replace a deferred annuity, the Insurance Professional must understand and if the information is available illustrate to the consumer the annuity income benefits contained in the consumer’s deferred annuity that is the subject of replacement.

Insurance Professionals are expected to be familiar with the rules and regulations regarding replacement in the state(s) he/she is licensed. When a replacement is deemed appropriate, the Nationwide Life Companies expect the Insurance Professional to submit all required replacement documentation.

Upon discovery of questionable replacement activity, the Nationwide Life Companies may forward a letter to existing contract/policy owners alerting them that charges may be assessed upon surrendering their insurance product. As circumstances warrant, the Nationwide Life Companies may pursue additional action against an Insurance Professional for potential violations of the Selling Agreement or by alerting the affiliated or unaffiliated company of the Insurance Professional’s replacement activities.

Compensation arising in connection with any product that replaces an existing contract or policy issued by the Nationwide Life Companies or any affiliate thereof shall be subject to replacement rules of the Nationwide Life Companies. In certain instances, the Nationwide Life Companies will not pay compensation on replacements.

6.3. International Underwriting Guidelines

Nationwide is committed to being the best at helping Americans prepare for and live in retirement. This goal extends to citizens of other countries who are residents of the United States.

The insurance products offered by the Nationwide Life Companies are priced based on mortality experience, cultural factors, medical care, geography, demographic factors and other relevant assumptions for U.S. citizens living in the United States. Life exposure risks in other parts of the world may be different. Consequently, foreign nationals and resident aliens may present risk profiles not assumed in pricing.

If a foreign national has been identified, we will require additional documentation to verify their connection to the U.S. and that they have U.S. based income assets before the application can be approved. This documentation may include:

- Copy of permanent resident card/green card or acceptable VISA proving U.S. residence
- Copy of SSN or TIN card
- Valid government issued photo ID (passport or counselor ID)
- Documented earned U.S. income
- Proof of U.S. property ownership
- Proof of assets in a U.S. Bank (U.S. branch of a foreign bank is not acceptable)

6.4 Life Insurance Illustrations

The NAIC Life Insurance Illustration Model Regulation defines an illustration as a presentation or depiction that includes non-guaranteed elements of a policy of life insurance over a period of years and that is one of three types – a Basic Illustration, a Supplemental Illustration, or an Inforce Illustration.

When a Basic Illustration is used by an Insurance Professional, and the policy is applied for as illustrated, a copy of the illustration must be submitted to the Nationwide Life Companies at the time of application with a copy provided to the applicant.

If a Basic Illustration is not used, or if the policy is applied for other than as illustrated, the Insurance Professional and applicant must complete the *No Illustration Acknowledgement Form* at the time of application. A signed copy of this form should be provided to the applicant and to the Nationwide Life Companies with a copy retained by the Insurance Professional.

If a Basic Illustration or a Revised Basic Illustration, based on the actual policy issued, is provided with the policy as a delivery requirement, it is the Insurance Professional's responsibility to return the signed illustration to the Nationwide Life Companies within 20 business days.

6.5 Policy Amendments

Unauthorized alteration of an insurance document, including an insurance application, is prohibited.

Consent of the applicant is the primary consideration when amending an insurance application. Consent is generally established by the signature of the parties involved and the date the changes were agreed to.

In instances where an amendment is provided with the policy as a delivery requirement, it is the Insurance Professional's responsibility to return the signed amendment to the Nationwide Life Companies within 20 business days.

6.6 Policy Delivery

Delivery of an insurance contract generally means that the owner has taken possession of the contract. For most states, the most common proof of delivery methods that are prescribed are as follows:

- Registered or Certified Mail (return receipt requested)
- Personal delivery with a delivery receipt signed by the owner

One purpose of the delivery receipt is to establish the beginning of the period in which the insurance contract owner has the right to return the contract for a refund. The delivery receipt also provides a protective measure to the Insurance Professional, the broker/dealer firm or general agent, and the Nationwide Life Companies from a false claim regarding when (or if) a contract was delivered.

The requirements regarding delivery receipts vary by state and it is the Insurance Professional's responsibility to be familiar with the contract delivery requirements in all states in which he/she conducts business. Several states require that an insurance contract be delivered within a "reasonable period of time" after the contract was issued.

The Nationwide Life Companies may send an annuity contract or life insurance policy directly to the contract/policy owner or, depending upon the distribution channel, the Insurance Professional may receive the contract or policy for delivery. If sent directly by the Nationwide Life Companies to the contract/policy owner, the Insurance Professional will receive a copy of the direct delivery confirmation statement which should be kept in the client's file. If the Insurance Professional requests to deliver the contract or policy to the contract/policy owner, the Insurance Professional must document the method of delivery and retain the delivery receipt (if applicable), signed and dated by the client, in the client's file. Insurance Professionals must provide this documentation to the Nationwide Life Companies at any time upon request. It is the Insurance Professional's responsibility to deliver the contract/policy in a prompt and timely manner to ensure that the client has the opportunity to review the contract/policy during the free look period which commences upon the client's receipt of the contract/policy.

An Insurance Professional should not deliver any insurance product contract/policy unless (a) the person to be insured is in good health and insurable condition at the time of delivery and (b) the first premium has been fully paid.

In states that require a delivery receipt, it is the Insurance Professional's responsibility to return the signed delivery receipt to the Nationwide Life Companies within 20 business days.

Unless otherwise stated, delivering or forwarding money, confirmations or account statements to any other person or entity or to an address other than the address of record of the contract/policy owner is strictly prohibited.

7. Long Term Care

Long-term care insurance is regulated separately from annuities and life insurance with state insurance law generally using the NAIC Long-term Care Insurance Model Act (“LTC Model Act”) and the NAIC Long-term Care Insurance Model Regulation (“LTC Model Regulation”) as its foundation.

The following policies are designed to achieve compliance with state and federal rules and regulations specific to long-term care insurance. These apply to any long-term care rider as well as any linked benefit life insurance and long-term care product offered by the Nationwide Life Companies.

7.1 Insurance Professional Licensing & Training

The LTC Model Act requires Insurance Professionals to hold an accident and health or sickness license or a life insurance license. However, many states require the Insurance Professional to hold both types of insurance license. Insurance Professionals are responsible for knowing the long-term care licensing and training requirements in all states in which he/she conducts business.

While the LTC Model Act has the following training requirements, each state has specific initial and ongoing training requirements. Refer to *Licensing and Training Requirements for Nationwide’s Long-term Care Product Suite* for detailed information regarding each state’s long-term care licensing and training requirements.

- Before selling or soliciting long-term care insurance, Insurance Professionals must complete a one-time training course that is at least eight (8) hours
- Insurance Professionals must meet an ongoing training requirement of four (4) hours every 24 months

The required long-term care training must consist of topics related to long-term care or long-term care services, but not related to training that is insurance company or insurance company product specific or that includes sales or marketing information.

Once appointed with the Nationwide Life Companies, and prior to submitting an application for long-term care coverage, the Nationwide Life Companies require Insurance Professionals to complete its long-term care training program.

7.2 Standards for Marketing Long-term Care

The LTC Model Regulation requires insurance companies to establish standards for marketing long-term care. In addition to the requirements outlined throughout this Business Practices and Compliance Guide, Nationwide expects Insurance Professionals to adhere to the following when selling long-term care:

- Any marketing activity, including a comparison of policies, must be fair and accurate
- All required long-term care point of sale disclosures, whether required at the time of solicitation, at the time of application, or at the time of policy delivery, must be provided to the applicant
- Make every reasonable effort to identify whether or not an applicant has any existing health, accident and sickness, and/or long-term care insurance and identify the types and amounts of insurance
- Make every reasonable effort to obtain any information necessary to evaluate an applicant’s situation and whether or not the purchase or replacement of long-term care is suitable
- Deliver any Nationwide long-term care offering to the contract/policy owner no later than thirty (30) days after the date the contract or policy is approved

7.3 Prohibited Practices

In addition to those practices prohibited outlined in Section 10 of this guide, as well as any practice prohibited by a state’s unfair trade practices act, the following long-term care sales practices – as defined by the LTC Model Regulation – are prohibited:

- Twisting – knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policies or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on or convert any insurance policy or to take out a policy of insurance with another insurer
- High Pressure Tactics – employing any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance

- Cold Lead Advertising – making use directly or indirectly of any method of marketing which fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance agent or insurance company
- Misrepresentation – misrepresenting a material fact in selling or offering to sell a long-term care insurance policy

Additionally, Insurance Professionals are prohibited from:

- Selling or issuing long-term care insurance with benefits that would be considered excessive for the applicant's circumstance
- Selling long-term care if the applicant is eligible, or expects to be eligible, for Medicaid
- Misrepresenting his/her expertise, qualifications or training to potential applicants and must not comment on the legal or tax implications of purchasing long-term care insurance to the extent that he/she lacks the training, qualification or license to provide such advice

7.4 Suitability

The LTC Model Regulation requires that insurance companies and Insurance Professionals marketing long-term care insurance develop standards to determine whether issuing long-term care insurance coverage is appropriate for an applicant.

Insurance Professionals must make a reasonable effort to obtain any information necessary to evaluate an applicant's situation and whether the purchase or replacement of long-term care is appropriate. While there is no standard approach to determine long-term care suitability, there are some general rules of thumb to consider when determining an applicant's suitability. Insurance Professionals will find additional information regarding long term care suitability in *Steps to Evaluate Client Suitability for Long-term Care Coverage*.

The Nationwide Life Companies' long-term care suitability standards may apply to applications for any linked benefit life insurance and long-term care product that the Nationwide Life Companies may offer as well as any long-term care rider in states where the requirement for long-term care suitability is not exempt.

Insurance Professionals agree to ensure that they act in accordance with the long term care suitability standards and to complete all training required pursuant to any and all laws, rules or regulations adopted by any applicable state.

Recommending to a consumer the purchase, sale or exchange of any insurance product without a reasonable basis to believe the recommendation is suitable or consistent with the consumer's financial objectives is prohibited.

Recommending unsuitable transactions for a consumer (i.e., transactions that conflict with the consumer's financial objectives and/or financial condition in terms of size or frequency) is prohibited.

7.5 Replacement

With long-term care, the governing replacement rule may vary depending on the type of product that is being replaced. The following table generally indicates which replacement notice should be used.

| Existing Product | Replacing Product ¹ | Governing Replacement Rule | Required Replacement Notice |
|---------------------------|--|----------------------------|--|
| Long-term Care Insurance | Life Insurance that accelerates the death benefit for long-term care | Long-term Care | <i>Notice to Applicant Regarding Replacement of Individual Accident and Sickness or Long-term Care Insurance</i> |
| Annuity or Life Insurance | Life Insurance that accelerates the death benefit for long-term care | Annuity/Life Insurance | IMPORTANT NOTICE: <i>Replacement of Life Insurance or Annuities</i> |

¹ Life insurance that accelerates the death benefit for long-term care includes a long-term care rider or any linked benefit life insurance and long-term care product

| Existing Product | Replacing Product ¹ | Governing Replacement Rule | Required Replacement Notice |
|--|--|---|--|
| Life Insurance that accelerates the death benefit for long-term care | Life Insurance that accelerates the death benefit for long-term care | Annuity/Life Insurance and Long-term Care | <ol style="list-style-type: none"> 1. <i>Notice to Applicant Regarding Replacement of Individual Accident and Sickness or Long-term Care Insurance; AND</i> 2. <i>IMPORTANT NOTICE: Replacement of Life Insurance or Annuities</i> |

Insurance Professionals are expected to be able to demonstrate, at any time upon request by the Nationwide Life Companies, how any new long-term care benefit is clearly and substantially better than the benefits of any replaced policy or contract.

7.6 HIPAA

A long-term care policy is a health plan and the issuing company is a covered entity under the Health Insurance Portability and Accountability Act (“HIPAA”), therefore, the issuing company is subject to certain HIPAA requirements.

HIPAA’s Privacy Rule protects all “individually identifiable health information” and refers to this as “protected health information.” Unlike life insurance and annuities, information on an application for long-term care insurance is considered protected health information. HIPAA specifies that individually identifiable health information is information, including demographic data, that relates to...

- the individual's past, present or future physical or mental health or condition,
- the provision of health care to the individual, or
- the past, present, or future payment for the provision of health care to the individual,

...and that identifies the individual or for which there is a reasonable basis to believe it can be used to identify the individual. Individually identifiable health information includes many common identifiers such as name, address, birth date, and social security number.²

Under HIPAA, distribution partners, Insurance Professionals, and other third parties are considered “business associates” if they access, receive, process, or transmit protected health information of the applicant on behalf of the Nationwide Life Companies. Such parties must enter into a Business Associate Agreement (“BAA”) with the Nationwide Life Companies. The BAA addresses topics such as the privacy and security of protected health information as well as breaches and security incidents.

The requirement for a signed BAA applies to a long-term care rider as well as any linked benefit life insurance and long-term care product.

The requirement for a signed BAA applies to a long-term care rider as well as any linked benefit life insurance and long-term care product.

² Source: <http://www.hhs.gov/hipaa/for-professionals/privacy/laws-regulations/index.html>

7.7 Unique State Requirements

Massachusetts and Vermont are two states that have additional long-term care requirements that Insurance Professionals should be aware of.

Massachusetts

Insurance Professionals, or persons marketing a long-term care offering, shall clearly identify which plans being offered are individual products and which are group products. If marketing a group product, Insurance Professionals must identify the name of the group policyholder and identify any condition that must be satisfied to join and remain as a member of the group. Insurance Professionals must disclose to potential applicants the name of the insurance company that the Insurance Professional represents in the sale.

Massachusetts requires Insurance Professionals marketing an insurance company's long-term care offering to disclose the fact that he/she receives compensation in connection with the sale or replacement of all long-term care insurance.

Vermont

In connection with a replacement transaction, Insurance Professionals must leave with the applicant, at the time of application, the original or a copy of all sales material used. With respect to electronically presented sales material, it shall be provided to the policy or contract owner in printed form no later than at the time of policy or contract delivery. Additionally, Insurance Professionals must submit to the Nationwide Life Companies a copy of the following items, as appropriate, with a long-term care application:

- A copy of the *Long-term Care Insurance Personal Worksheet*, the *Potential Rate Increase Form*, and the *Senior Insurance Counseling Program* disclosure
- A statement identifying any Nationwide Life Companies approved sales material used
- Copies of any individualized sales material used, including any illustration related to the specific product purchased

8. Suitability

It is the responsibility of the Insurance Professional to ensure the suitability of the transaction that is being recommended based on state law requirements and Nationwide Life Companies' policies and procedures. Insurance Professionals agree that they will act in accordance with the suitability standards and will complete all required training prior to soliciting or selling insurance products.

Insurance Professionals shall not submit any transaction to Nationwide Life Companies if the suitability of a sale is in question or if any of the suitability standards were not met. In the event an inquiry or claim against the Nationwide Life Companies is made with regard to the suitability of a sale of any of the products sold under any Selling Agreement, the Insurance Professional shall cooperate with the Nationwide Life Companies and will provide written or other materials upon request.

a. Annuity Suitability

In recommending to a consumer the purchase, exchange, or replacement of an annuity, the Insurance Professional must have reasonable grounds for believing that the recommendation is suitable for the consumer based on the consumer's suitability information which includes the consumer's:

- Age;
- Annual income;
- Financial situation and needs, including the financial resources used for the funding of the annuity;
- Financial experiences;
- Financial objective;
- Intended use of the annuity;
- Financial time horizon;
- Existing assets, including investment and life insurance holdings;
- Liquidity needs;
- Liquid net worth (excluding consumer's principal residence);
- Risk tolerance; and
- Tax status

Based on the consumer's suitability information gathered and other facts disclosed by the consumer, the Insurance Professional must have a reasonable basis to believe and provide information to ensure that:

- The consumer has been informed about the annuity;
- The consumer would benefit from certain features of the annuity;
- The annuity as a whole, the underlying subaccounts, and riders and/or similar product enhancements are suitable for the particular consumer; and
- In the case of an exchange or replacement of an annuity, that the exchange or replacement is suitable, including taking into consideration the following factors:
 - Whether the consumer will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits (such as death, living, annuity payout or other contractual benefits), or be subject to increased fees, investment advisory fees or charges for riders and similar product enhancements
 - Whether the consumer would benefit from product enhancements and improvements; and
 - Whether the consumer has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding 36 months.

Insurance Professionals should always keep in mind that older annuity products might offer greater benefits such as minimum interest rates or annuity payout rates. It is important to understand the benefits within the existing annuity contract by requesting the existing annuity contract from the consumer or contacting the replaced carrier.

To ensure that the consumer has been reasonably informed about the annuity, the Insurance Professional must provide the following information to the consumer along with any other relevant information:

- Potential surrender period and surrender charge;
- Potential tax penalty if the consumer sells, exchanges, surrenders, or annuitizes the annuity;
- Applicable fees including mortality, expense and investment advisory fees;
- Potential charges for and features of riders;
- Limitations on interest returns;
- Insurance and investment components and market risk;
- Possible product features including tax deferred growth, annuitization, death or living benefits, and underlying subaccounts; and
- Disclosure of lost extra credit/bonus payments or living benefits relating to replacements

At the time of sale, the Insurance Professional must (i) make a record of any recommendation made pursuant to the suitability standards; (ii) obtain a consumer signed statement documenting the consumer's refusal to provide suitability information, if applicable; and (iii) obtain a consumer signed statement acknowledging that an annuity transaction is not recommended if a consumer decides to purchase an annuity that is not based on the Insurance Professional's recommendation.

Under no circumstance should an Insurance Professional attempt to dissuade a consumer from (i) truthfully responding to the Nationwide Life Companies' request for confirmation of suitability information; (ii) filing a complaint; or (iii) cooperating with the investigation of a complaint.

Prior to soliciting the sale of annuity, the Insurance Professional is required to have adequate knowledge of the product to recommend the annuity. Accordingly, the Insurance Professional must complete all applicable training required by any state laws, rules or regulations. This includes product specific training and general annuity training offered by an education provider approved by the applicable state insurance department. Training topics may include: (i) types and classifications of annuities; identification of the parties to an annuity; how contract feature affect consumers; income taxation consideration; primary uses of annuities; and appropriate sales practices and disclosure requirements. The Nationwide Life Companies can and will require additional training at its discretion before an Insurance Professional can offer certain products. Insurance Professionals must provide certification and proof of training completion upon Nationwide's request or their access to products or appointment may be suspended or terminated.

b. Life Insurance Suitability

State law may require insurance companies and Insurance Professionals to adhere to suitability standards for life insurance products. Insurance Professionals agree to ensure that they act in accordance with the suitability standards.

c. Failure to Comply with Suitability Standards

Recommending to a consumer the purchase, sale or exchange of any insurance product without a reasonable basis to believe the recommendation is suitable or consistent with the consumer's financial objectives is prohibited.

Recommending unsuitable transactions for a consumer (i.e., transactions that conflict with the consumer's financial objectives and/or financial condition in terms of size or frequency) is prohibited.

9. Consumer Privacy and Confidentiality

As an Insurance Professional, you are obligated to protect the privacy of customer information in accordance with state and federal privacy laws. Be sure to safeguard customer information at all times and to treat such information with strict confidentiality. Do not disclose customer information to any unauthorized party. Customer information should be handled on a need-to-know basis within your agency.

10. Prohibited Activities

The marketing concepts or sales practices referenced below are prohibited. If an Insurance Professional participates in any of these prohibited concepts, he/she may be subject to disciplinary action by the Nationwide Life Companies including, but not limited to, termination of the Selling Agreement.

a. Accepting Cash

Insurance Professionals are prohibited from accepting cash or checks made payable to the Insurance Professional, or the Insurance Professional's "doing business as" name, as payment for product purchases or services.

b. Altered Documents

Making any corrections or alterations to a document after a consumer has signed it, without having the consumer acknowledging the change, is prohibited.

If there is an error on a document, the Insurance Professional must cross out and correct the error. The consumer must initial and date the change. The Insurance Professional must not use white out to cover an error made on a document, as the use of whiteout is prohibited.

Altering a document in any manner without consumer acknowledgement is subject to disciplinary action by the Nationwide Life Companies including, but not limited to, termination of the Selling Agreement.

c. Blank Forms

Insurance Professionals and associated persons are prohibited from asking a consumer to sign a form 'in blank,' even if it is for the consumer's convenience or at the consumer's request. An 'in blank' form is any document signed by the consumer where sections of the form are intentionally left blank (or partially blank) to be filled in at a later date by the consumer, the Insurance Professional and/or other associated person.

d. Commission Assignments

Insurance Professionals are prohibited from advancing or assigning compensation received from the Nationwide Life Companies to any person or entity unless authorized by Nationwide Life Companies and permitted by the Selling Agreement.

e. Commission Splitting

An Insurance Professional may only split part of the compensation received with an additional Insurance Professional or entity if the additional Insurance Professional or entity is properly licensed and appointed with the Nationwide Life Companies.

f. Creating Fictitious Sales

Insurance Professionals are prohibited from submitting a non-bonafide application for the purchase of an annuity or insurance product. Also, opening or effecting transactions in accounts operating under a fictitious name is prohibited.

g. Disparaging Remarks about Competitors

Insurance Professionals are prohibited from making disparaging, false or misleading statements about competitors in all states. All marketing and sales efforts should promote positive competition.

h. Falsifying an Application

Insurance Professionals may not falsify an application for a consumer in order for another Insurance Professional to receive a commission on the sale. There are no scenarios under which an Insurance Professional is permitted to falsely reflect the Insurance Professional who solicited the transaction.

i. Failure to Furnish Information

Upon request, Insurance Professionals must furnish information to which a consumer is entitled. Failure or refusal to furnish a consumer, upon request, information to which a consumer is entitled is prohibited.

j. Financial Arrangements with Consumers

Insurance Professionals are prohibited from participating in certain financial arrangements with consumers. Specifically, Insurance Professionals are prohibited from:

- Sharing of profits or losses in a consumer account
- Making loans to or accepting loans from a consumer (any exceptions to this policy, must be clearly authorized and documented in writing)
- Depositing personal funds in consumer accounts or depositing consumer funds in Insurance Professional controlled accounts
- Paying premiums from the Insurance Professional's funds on behalf of the consumer
- Assisting consumers in making credit arrangements in connection with insurance transactions
- Accepting a bequest under a consumer's will or trust (except for family members)
- Being named beneficiary or co-owner, acting in the capacity of a trustee, executor, administrator, conservator, or guardian, or being granted power of attorney on any annuity contract or life insurance policy (except for a contract or policy of an immediate family member)

k. Forgery

Insurance Professionals are prohibited from engaging in any of the following:

- Signing a consumer's or any other person's name and/or initials to a document
- Signing a consumer's or any other person's name and/or initials to a document, even if it is at the request of the consumer (known as accommodation forgery)
- Signing a consumer's or any other person's name and/or initials to a document at the direction of an insurance product sponsor
- Asking or permitting another person to sign a document in the place of a consumer (e.g., one joint account party signing for the other)
- Signing an Insurance Professional's name and/or producer number to documents for an unlicensed associate
Accepting documents the Insurance Professional believes to have been forged

l. Fraudulent Conduct

Insurance Professionals may not engage in any fraudulent conduct, including, but not limited to:

- Establishing fictitious accounts
- Conducting unauthorized transactions within a client's account
- Misuse of client funds or securities
- Accepting, altering, or creating fictitious statements, including financial statements of net worth, confirmations or other client related documents
- Giving direction to or allowing a client to misrepresent information, act in a dishonest manner, or to commit fraud
- Failing to disclose or misstating any material facts, including but not limited to, answering "no" to medical questions on an application
- Misrepresentation or exaggeration of product features

m. Mail

Insurance Professionals may not be the addressee or recipient of insurance statements in place of the client's address.

n. Offering Tax or Legal Advice

Providing tax or legal advice without proper qualifications is prohibited. In addition, Insurance Professionals are prohibited from implying that tax and/or legal advice is being offered by the Nationwide Life Companies in any capacity. Rather, Insurance Professionals should encourage their consumers to contact their own accountant or attorney.

o. Pretext Selling

Pretexting is prohibited by the Nationwide Life Companies. Insurance Professionals must identify himself/herself as an Insurance Professional marketing insurance products. When soliciting consumers, Insurance Professionals are prohibited from misrepresenting the true purpose of a meeting, seminar, and/or workshop and the planned content.

p. Prohibited Payments

Insurance Professionals may not make payments of any kind, directly or indirectly, to any person, government, corporation, or other entity to improperly influence the consideration of applications for a business activity or the receipt of other benefits, including obtaining or retaining business.

q. Prohibition against Guarantees

Warranting or guaranteeing the future value or price of any contract or policy, or indicating that any company, sponsor or issuer will meet its promises, predictions or obligations is prohibited.

r. Rebating

“Rebating” is the practice of paying part of the commission (or something else of value, including contract/policy surrender charges, trust fees, etc.) to the consumer as an inducement for his/her business. The Nationwide Life Companies prohibit rebating in all states.

s. Scare Tactics

When discussing insurance products, Insurance Professionals are prohibited from using any form of communication, statement, or statistical information that may be construed as a scare tactic by a regulator or the Nationwide Life Companies.

Information from a third party source must be accurate and appropriate for the context in which the information is used.

t. Selling an Indexed Product as a Security

The contract/policy owner’s funds are placed in the general account of the Nationwide Life Companies and not directly invested in the equity markets. Insurance Professionals are prohibited from marketing indexed insurance products as equity or market based securities.

u. Selling an Annuity Prior to Completion of Required Training

Insurance Professionals agree to complete all training required pursuant to any and all laws, rules and regulations adopted by any applicable state prior to solicitation of an annuity product. Insurance Professionals must provide such certification and proof of training completion upon Nationwide’s request or their access to products or appointment may be suspended or terminated.

v. STOLI / STOA / Life Viatical Settlements

The Nationwide Life Companies prohibit participation in Stranger Originated Life Insurance (“STOLI”) transactions. STOLI is the initiation of a life insurance policy for the benefit of a third party investor who, at the time of the creation of the policy, has no insurable interest in the insured.

The Nationwide Life Companies prohibit participation in Stranger Originated Annuities (“STOA”). In a STOA transaction, Insurance Professionals and/or investors offer a stranger a nominal fee for the use of their identity as the measuring life on an investment oriented annuity. Typically, individuals targeted to serve as annuitants are in extremely poor health or terminally ill, and are not expected to live beyond the first year of the contract.

The Nationwide Life Companies prohibit participation in Life Viatical Settlements. A viatical settlement is the sale of a life insurance policy by the policy owner to a third party investor who does not have an insurable interest in the insured’s life. Generally, viatical settlements involve insured individuals with a life expectancy of less than two years. The third party

investor is buying the policy with the expectation that the insured's remaining life expectancy will be limited and the investor will be able to collect the policy's death benefit

w. Switching and Replacements

Purchasing a new insurance product with the proceeds from the full or partial liquidation of an existing annuity contract or life insurance policy solely for the purpose of generating additional sales charges and commissions to the Insurance Professional is prohibited.

x. Twisting

The practice of twisting is prohibited. Twisting occurs when an Insurance Professional misrepresents the features of the policy to induce a client to purchase a policy, for the purpose of generating a commission. Often, the accumulated cash value of an older policy is used to mask the true cost of the new policy, allowing the Insurance Professional to provide what appears to be a favorable, but misleading, comparison.

y. Unfair Solicitation

No Insurance Professional may unfairly differentiate between individuals of the same underwriting class in such a manner that would rise to the level of discrimination.

11. Anti-Money Laundering

Insurance Professionals shall comply with all applicable and effective anti-money laundering (AML) laws, regulations, and rules including the Bank Secrecy Act as amended by Title III of the USA PATRIOT Act, its implementing regulations, and related rules promulgated by applicable regulators. Insurance Professionals shall also comply with the laws and regulations administered by the Office of Foreign Assets Control ("OFAC"). Collectively, these requirements include requirements to establish a written AML program, designate an AML officer, train appropriate staff (including agents), report suspicious activities involving products to the insurance company and regulators, scan records as required by OFAC, and make its AML program available to the insurance company and regulators.

The Nationwide Life Companies can and will require additional training at its discretion on products, suitability, and anti-money laundering before an agent can offer certain products. Insurance Professionals must provide such certification and proof of training completion upon Nationwide's request or their access to products or appointment may be suspended or terminated. The Nationwide Life Companies have established a thorough Anti-Money Laundering Program setting forth how it complies with federal Anti-Money Laundering Laws.

Insurance Professionals shall report to the Nationwide Life Companies, without undue delay, any unusual or suspicious activity or transactions (completed or attempted) involving consumers and/or potential consumers which involves its products. Notice shall be made by contacting the Office of Anti-Money Laundering Compliance at 1-877-406-4747, by email at BDRQST@nationwide.com or by live mail to the Office of Compliance, FCSC 1-12-104. Insurance Professionals shall ensure that any activity reported to the Nationwide Life Companies remains confidential and that any report submitted to the Nationwide Life Companies and or any information related to such report is not disclosed to the consumer involved in such report or to any third party. Providing notice to the Nationwide Life Companies of any suspicious activity shall not relieve the Insurance Professional of any duty it may independently have to report suspicious activities.

If any investigation arises involving the insurance products under a valid executed Selling Agreement, the Insurance Professional agrees to fully cooperate with the Nationwide Life Companies in the investigation. Insurance Professionals shall cooperate even if the investigation commences or continues after the Selling Agreement is terminated.

The following Red Flag list provides a sample of events or activities that should prompt reporting.

All suspicious activity must be kept confidential. Information should only be discussed with those persons who need to know.

Do not update or document customer files or computer systems with information associated with suspicious activity.

a. Red Flags for Insurance Products

- Source of funds cannot be confirmed or is questionable
- Withdrawals soon after deposit
- Any ownership change request
- Unexplained distribution to Payee or address NOT of account owner
- Withdrawal soon after address change
- Suspected Elder abuse or Fraud
- Multiple contracts of the same type for the same SSN
- Distribution activity for multiple contracts for the same SSN
- A customer uses unusual or suspicious identification documents
- Contracts on which multiple distributions have occurred in the past 24 months
- Customer account has large number of wire transfers to or from unrelated 3rd parties
- Customer's account indicates large or frequent wire transfers that are immediately withdrawal

- A customer or group tries to persuade an employee not to file required reports or maintain required records
- Fund transfers are ordered in small amounts in an apparent effort to avoid triggering identification or reporting requirements
- For no apparent reason, customer has multiple accounts under a single name or multiple names with large number of inter-account or 3rd party transfers
- Customer is not concerned about risks, commissions, investment performance or transaction costs or the account
- Customer attempts to make deposits of cash or cash equivalents (money orders, cashiers' checks, traveler's checks) or asks for exceptions to the Firm's policies regarding the deposit of cash
- Customer attempts to transact business using a foreign address (for account opening, deposit or withdrawal)
- A business is reluctant, when establishing a new account, to provide complete information about the nature and purpose of its business, anticipated account activity, prior banking relationships, the names of its officers and directors, or information on its business location
- Regarding nonprofit or charitable organizations, financial transactions occur for which there appears to be no logical economic purpose or in which there appears to be no link between the stated activity of the organization and the other parties in the transaction
- Transactions without an apparent business reason or when the activity is inconsistent with the customer's business or past history
- Customer has a questionable background or has been the subject of news reports involving possible criminal, civil or regulatory violations
- Multiple free looks for the same SSN or other withdrawals with a high rate of surrender charge
- Customer expresses concern over strict adherence to anti-money laundering procedures, or shows unusual interest in Nationwide or the Firm's AML policies and procedures
- Customer makes a change to a previous SSN or ITIN, when no typo is identified
- Contract, account, policy loans or surrender values that are subject to a substantial transaction charge
- Unusual use of multiple contracts or accounts owned by the same person
- A producer, broker, or agent on the contract is participating in any of the red flag activities outlined

12. Consumer Complaints

The Nationwide Life Companies understand that not all complaints have merit or basis in fact. Insurance Professionals are prohibited from settling consumer complaints without the involvement of the Nationwide Life Companies. Insurance Professionals who attempt to settle complaints on their own, rather than according to established policies and procedures of the Nationwide Life Companies, may be subject to disciplinary action by the Nationwide Life Companies including, but not limited to, termination of their appointment(s) and/or Firm Selling Agreement.

A complaint is any written statement of or by a consumer, legal counsel or other representative of a consumer or a regulatory agency alleging the mishandling of an account or transaction or improper conduct on behalf of an Insurance Professional or other associated persons. This definition includes, but is not limited to, written allegations regarding:

- Any federal or state insurance law violation
- Misrepresentation of a product or a service to a consumer
- Failure to provide a suitable product for a consumer
- Failure to disclose material information to a consumer
- Misleading representations made to a consumer
- Failure to follow consumer instructions
- Failure to provide proper documentation to a consumer
- Theft or misappropriation of consumer funds or securities
- Forgery
- Providing a consumer with false or misleading sales literature
- Problems regarding full/partial transfer of a consumer's account
- Problems regarding receipt/disbursement of a consumer's funds
- Contract/policy owner failed to receive statements or confirmations
- Contract/policy owner has tax reporting problems (including 1099, withholding issues, etc.)
- Failure to disclose fees or payment of fees and service charges
- Contract/policy owner problems regarding account administration and processing

The Insurance Professional agrees to immediately notify the Nationwide Life Companies of any consumer complaint involving an insurance product offered by the Nationwide Life Companies. The complaint must be forwarded to the following address:

Nationwide Life Insurance Company
Customer Advocacy Group
One Nationwide Plaza 03-04-101
Columbus, OH 43215

The Insurance Professional agrees to cooperate fully in any insurance or other regulatory or judicial investigation or proceeding arising in connection with the Nationwide Life Companies, our insurance products, or the Insurance Professional.