

HERITAGE BUILDER

MYGA

PRODUCER GUIDE



INVESTORS HERITAGE®

PO Box 717 ▪ Frankfort, KY 40602 ▪ 800.422.2011 ▪ www.investorsheritage.com

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HOME OFFICE INFORMATION

GENERAL CONTACT INFORMATION

PHONE

800.422.2011

EMAIL

ihlic@ihlic.com

WEBSITE

www.InvestorsHeritage.com

MAILING ADDRESS

PO Box 717
Frankfort KY 40602-0717

PHYSICAL ADDRESS

200 Capital Avenue
Frankfort KY 40601

HOME OFFICE HOURS

8:00 AM - 4:30 PM (Eastern)
Monday - Friday

DEPARTMENT CONTACT INFORMATION

LICENSING & SUPPLIES

Ext. 4130

sales@ihlic.com

Fax: 502.875.7084

POLICY SERVICES

Ext. 5600

polycyservice@ihlic.com

Fax: 502.791.8374

NEW BUSINESS

Ext. 4129

newbusiness@ihlic.com

502.227.7205

COMMISSIONS

Ext. 4128

commissions@ihlic.com

Fax: 502.875.7084

PREMIUM ACCOUNTING

Ext. 4127

premacct@ihlic.com

Fax: 502.875.7084

BENEFIT PAYMENTS

Ext. 4126

benefitpayments@ihlic.com

Fax: 502.223.6575



HERITAGE BUILDER MYGA

Help your clients make their money work smarter with the Heritage Builder MYGA, a flexible wealth accumulation and savings product. It provides competitive interest rates, tax-deferred growth and rider-free liquidity options.

And you'll work smarter with Investors Heritage because we work hard to make things easy for you and your clients. From friendly, knowledgeable service to our state-of-the-art producer and client portals, you'll find a relationship with us to be pleasantly different.

CLIENT QUALIFICATION

ISSUE AGES

0 - 90

Client must be a U.S. Citizen.

INITIAL GUARANTEE PERIODS

3-year, 5-year, or 7-year

Does not auto-renew at end of guarantee period.

PREMIUM INFORMATION

Minimum Contribution:

Minimums subject to change.
See current Rate Sheet for minimums.

Maximum Contribution:

\$1 million without home office approval.

QUALIFICATION TYPES

Restrictions may apply.

NON-QUALIFIED: Accepted, except Stretch Accounts

QUALIFIED

Accepted:

- Traditional IRA
- Roth IRA
- Roth Conversion
- SEP IRA
- Inherited IRA

Secure Act eligible beneficiaries only¹

Not Accepted:

- 403b
- 401k
- 501c3
- CLAT
- CRAT
- SIMPLE IRAs
- Defined Benefit Plan

¹Secure Act Eligible Beneficiaries: Death of IRA owner on or after 1/1/2020: accepted beneficiaries: spouse, disabled, chronically ill, minors, not 10 years younger than the IRA owner, and trust created for the benefit of any of those listed above. Death of IRA owner before 01/01/2020: spouse and non-spouse beneficiaries.

OWNER/ANNUITANT INFORMATION & RESTRICTIONS

Single Annuitant only.

Single Owner: Owner and Annuitant must be the same person.

Joint Owner: Joint Owners must be lawfully wedded spouses. Beneficiary will be "Surviving Joint Owner."

Trust: Only one owner at a time. Trust cannot be a Joint Owner. Trust must be an agent for a natural person. Natural person must be named the Annuitant.

Inherited IRA: Eligible beneficiaries only.

Corporate Owners: Must be Non-Qualified funds. Trust or Entity Certification Form Required. Complete Section 1 of the Suitability Questionnaire for the Annuitant, the rest of form should be completed with the company's assets.

PREMIUM TAX

STATE	QUALIFIED FUNDS	NON-QUALIFIED FUNDS	CHARGED
California	0.50%	2.35%	
Maine	0.00%	2.00%	These states will have the premium tax charged upon annuitization and the net proceeds will be used to determine annuitization payments
Nevada	0.00%	3.50%	
Wyoming	0.00%	1.00%	
Colorado	0.00%	2.00%	These states charge the premium tax on the purchase of the non-qualified annuity regardless if the client annuitizes or not. Investors Heritage will pass the premium tax to policy owners by charging the client upfront for the premium tax and reducing the Account Value.
South Dakota	0.00%	1.25% on first \$500,000 0.08% on portion over \$500,000	
Florida			Although Florida imposes a premium tax, the state grants exemption if the insurer can show that the savings from the exemption are passed on to Florida policy owners. Investors Heritage will pass the premium tax savings to Florida policy owners, so no premium taxes will be withheld

Additional states may adopt new laws to impose annuity premium taxes. They will be applied accordingly when effective.

CASH ACCUMULATION

Account Value: The Account Value is equal to the single premium less any premium tax, withdrawal amounts, plus interest credited.

Interest Crediting: Interest is posted to the Account Value daily and compounded at the end of each contract year. During the Interest Guarantee period, interest will be earned on the Account Value at the Initial Guaranteed Interest Rate. After the guarantee period, interest will not be less than the Minimum Guaranteed Interest Rate.

LIQUIDITY

ACCUMULATED INTEREST¹

AVAILABLE PENALTY-FREE 30 DAYS AFTER POLICY EFFECTIVE DATE

The minimum withdrawal is \$100. Payment must be made by Electronic Funds Transfer and can be made in 1, 3, 6 or 12 month payments.

FREE WITHDRAWAL¹

UP TO 10% OF THE BEGINNING OF YEAR ACCOUNT VALUE IS AVAILABLE PENALTY-FREE AFTER THE FIRST CONTRACT YEAR

The minimum withdrawal is \$200. The Free Withdrawal is not cumulative and must be taken in a single transaction per contract year.

¹Free withdrawal amounts from Accumulated Interest and Free Withdrawal may be limited by other free withdrawals taken.

REQUIRED MINIMUM DISTRIBUTION

RMDs PENALTY-FREE SIX MONTHS AFTER EFFECTIVE DATE

Withdrawal charges do not apply to RMDs, even if in excess of the Free Withdrawal amount. RMDs may be scheduled for systematic withdrawal to be taken automatically on an annual, semi-annual, quarterly or monthly basis. Recurring RMDs must be made by Electronic Funds Transfer.

NURSING HOME WITHDRAWAL

UP TO 50% OF THE ACCUMULATED ACCOUNT VALUE IS AVAILABLE PENALTY-FREE AFTER THE FIRST CONTRACT YEAR.

The Nursing Home benefit is available for issue ages 0 – 80, if, on a licensed Physician's recommendation, the Annuitant is confined in an Eligible Nursing Home due to medical necessity, the Annuitant being unable to perform two of the six Activities of Daily Living (ADLs) or the Annuitant having a cognitive impairment. Activities of Daily Living are eating, bathing, dressing, transferring (walking), toileting, and continence². The nursing home confinement must last for 90 days before the Annuitant is eligible for the benefit. The Annuitant must be 80 or younger on the Effective Date. The benefit is not available if the Annuitant was confined to a nursing home when the policy was issued. The Nursing Home Benefit is not Available in South Dakota or California.

WITHDRAWAL CHARGES

Charges apply for withdrawals outside the Free Withdrawal options.³

YEAR	1	2	3	4	5	6	7
3-YEAR	9.00%	8.00%	7.00%				
5-YEAR	9.00%	8.00%	7.00%	6.00%	5.00%		
7-YEAR	9.00%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%

MARKET VALUE ADJUSTMENT

A Market Value Adjustment may apply to withdrawals over the Free Withdrawal amounts during the Withdrawal Charge Period and to certain annuitization options. The MVA is based on the change in the leading bond index yield from the close of business on the day prior to your contract being issued and the close of business the day prior to your withdrawal. The MVA may be a credit, increasing your withdrawal amount, or a fee, decreasing your withdrawal amount. Due to the mechanics of an MVA, Withdrawal Amounts generally decrease as the index yield rises. When the index yield decreases enough over time, the Withdrawal Amounts generally increase. Even with a negative MVA, you will never receive less than the Guaranteed Minimum Cash Value.

²A physician is a person who is legally licensed in the United States as a Doctor of Medicine (MD) or as a Doctor of Osteopathy (DO) and who is not the Owner or the Annuitant or a member of the immediate family of the Owner or Annuitant.

³MVA currently not approved in CA. CA will have separate Withdrawal Charges when approved.

ANNUITANT DRIVEN BENEFITS

DEATH BENEFIT

The Death Benefit is equal to the Accumulated Account Value.

- The death benefit will be paid in one lump sum or an available Settlement Option may be chosen.
- The death benefit will be paid to the named Beneficiary if the Owner dies before the Maturity Date.
- If there are spousal joint owners, the surviving joint owner will be treated as the Primary Beneficiary and any other named beneficiaries will be treated as Contingents. Optionally, the surviving joint owner or spousal sole primary beneficiary, may choose to continue the contract as the new Owner. Joint owners must be lawfully wedded spouses. If the annuitant is other than the owner or joint owner, and dies prior to maturity, a death benefit will become payable to the named Beneficiary.

SETTLEMENT OPTIONS

Settlement Options are subject to applicable Internal Revenue Code requirements. When payment depends on a person's life, we may require due proof of age or sex before payments begin and due proof that the person is still alive before we make each payment.

AUTOMATIC SETTLEMENT OPTION

Request of Settlement Option must be received 30 days before the Maturity Date. If not received by then the Automatic Settlement Option will apply. Under the Automatic Settlement option, the Annuitant will become the Payee, Life Income will apply based on the age and sex of the Annuitant and payments will be guaranteed for 10 years, subject to limitation in the Settlement Options provision.

PAYMENTS FOR FIXED PERIOD

The Payments for a Fixed Period option guarantees equal payments at regular intervals from 5 to 20 years. Payments will be made at 1, 3, 6 or 12 month intervals.

LIFE INCOME

If the Life Income option is chosen, we will make equal payments at regular intervals during the lifetime of the Annuitant. The payments will be made at 1, 3, 6, or 12 month intervals.

LIFE INCOME PLUS FIXED PERIOD

The Life Income Plus Fixed Period guarantees equal payments at regular intervals during the lifetime of the Annuitant and guaranteed payments for a certain number of years if the Annuitant dies before the Fixed Period end. Payments will be made at 1, 3, 6, or 12 month intervals.

PAYMENTS OF FIXED AMOUNTS

The Payments of Fixed Amounts guarantees a certain amount will be paid at fixed intervals until all Proceeds and interest have been paid. The payments must extend over a period of at least five (5) years.

The Owner will determine the amount of each payment. Payments may be made at 1, 3, 6, or 12 month intervals.

JOINT LIFE INCOME

The Joint Life Income option guarantees equal payments during the life of the Joint Annuitants as long as both are living. At death of one Annuitant, payments will continue under one of the following choices;

1. Joint and 100% survivor: Equal payments of the original amount.
2. Joint and 2/3 survivor: Equal payments of 2/3 of the original amount.
3. Joint and 1/2 survivor: Equal payments of 1/2 of the original amount.

OTHER PAYMENTS

The owner has the option to make payments under any other Settlement Option agreed to by Owner and Company.

PRODUCER INFORMATION

HOME OFFICE PROCEDURES

- Policies are issued daily.
- Policies will be sent to the producer by US Postal Service.
- Investors Heritage will follow-up with transferring company every 15 days after sending initial Letter of Acceptance for 1035 Exchanges, transfers and rollovers.
- Contracts are effective the day all cash is received. Commissions paid daily.
- Commissions paid by direct deposit.

PRODUCER REQUIREMENTS

- Current AML Certification
- E & O Coverage
- Heritage Builder Product Training
- Training as required by NAIC Suitability in Annuity Transaction Model Regulation
- Completed Model #275 "Suitability in Annuity Transactions" (Best Interest) training, if required by your state.

AGE USED FOR COMMISSION

- If joint ownership, age of the older of the two joint owners
- If non-natural owner, age of annuitant.
- Age used for maturity / issue age if joint owner, older of the two .
- Joint Owners / annuitants: 50/50 ownership assumed for tax purposes.
- Joint ownership only allowed for non-qualified funds

COMMISSION CHARGEBACKS

Chargebacks are specified in Section 4.4 of the Producer Agreement.

Chargebacks are made to commissions for withdrawals during the first year:

- Death in the first year:
Months 1-6: 100% Months 7-12: 50%
- RMDs on qualified annuity:
Months 1-6: 100% After 6th month: 0%
- Any other withdrawals (excluding Accumulated Interest):
Months 1-6: 100% Months 7-12: 50%

Commissions and chargebacks are subject to change by Investors Heritage, in its sole discretion, and any such changes shall be effective upon notice to producer.

RENEWALS

No automatic renewal.

After the Initial Guarantee Period, the interest rate will not be less than the Minimum Guaranteed Interest Rate shown in the Contract Specifications. We may credit interest on the Account Value in excess of the minimum.

RATE LOCK

Investors Heritage will notify agents by email of crediting rate changes and current rates are available on the agent portal.

Rate can be locked-in for 45 days from the application signature date by meeting these three requirements:

- Application received "in good order";
- All paperwork received in home office within 10 business days of the application signature date;
- All funds, including transfers from another carrier, received in the home office within 60 days of the application signature date.

SUITABILITY

Producers are required to complete the Suitability Questionnaire and review the Disclosure form with each applicant. Suitability is based on the producer's recommendation and Investors Heritage's assessment of suitability which includes:

- Age
- Financial situation & objectives
- Financial time horizon
- Liquidity needs
- Risk tolerance
- Annual income and expenses
- Financial experience
- Existing assets
- Liquid net worth
- Tax status / filing status

MARKETING

Pursuant to the terms of your agreement with Investors Heritage Life Insurance Company (Investors Heritage), only materials created and disseminated by Investors Heritage are to be used in the sales process for contracts issued by Investors Heritage.

Written authorization and approval from Investors Heritage is required for any materials or advertisements (including social media) that reference Investors Heritage by its name, logo, product names, or distinguishing product features. Failure to obtain prior approval may result in termination of your agreement with Investors Heritage.

Materials for review should be sent to marketing@ihlic.com.



APPLICATION PROCESS

Submitting applications in good order is a win-win: Your client's contract issued quickly. Your commission paid quickly. Firelight E-App is the preferred method of application submission. Applications may also be submitted by agent portal upload, fax, US Postal Service or other postal delivery. See page 1 for fax, portal and address information.

- Email is not considered a secure method of transmitting Personal Protected Information (PPI). PPI includes Social Security numbers, dates of birth, financial information.
- Use only one submission method. (If application sent by fax, do not send originals by mail.)
- Submit applications and forms to your upline, if required.
- Wet signatures only necessary if required by transferring carrier.
- Delivery receipts required for all annuities.
- Delivery receipts required prior to payment of commission if: policy amount is \$500,000 or more OR, if required by upline.

BENEFITS OF FIRELIGHT® E-APPLICATION

- Prevents NIGO submission.
- All required forms are included.
- Eliminates mail time.
- Speeds application processing time by 50%.
- Transfers are initiated faster.
- Commissions are paid faster.

REQUIRED FORMS

Current forms are available on the agent portal at www.investorsheritage.com and the Firelight platform. The following forms are required for all applications:

- Application - (state appropriate application version)
- Annuity Suitability Questionnaire
- Best Interest Attestation - (if required in your state)
- Best Interest Producer Disclosure - (if required in your state)
- Certification of Disclosure Signature page (CA has state specific form)
- Disclosure - Understanding Your SPDA
- W-9 (for identity verification)
- Agent Discovery Forms must be submitted to home office for all applications over \$1M.

ADDITIONAL FORMS

- Replacement (state specific)
- Replacement Comparison (state specific)
- 1035 Exchange/Transfer/Rollover
- IRA Indirect Rollover Certification (required if IRA Indirect Rollover)
- Payment Authorization Form
- Non-Resident (non-resident sales not allowed to residents of MA, MN, NY, UT.)
- Trust or Entity Certification Form
- Additional Beneficiary (If more than 4 beneficiaries. FL has state specific form.)

To be left with client:

- Notice of Information Practices
- Annuity Fact Finder
- Life Fact Finder
- Mutual Funds Fact Finder
- Financial Data

AGENT & CLIENT PORTALS

Our industry-leading agent and client portals give 24/7 access to your information in real time. When it comes to your business – you see the same information we see. Real time New Business status, correspondence, and NIGO issues are available through the agent portal.

GETTING STARTED

Go to www.investorsheritage.com. Click Agent Login in the top right corner. Enter the required information. (Note - the email must match the address on file with IH.)

CREATE ACCOUNT FOR YOUR BUSINESS

If you have both an IH personal writing number and an IH business number, use your business number and business tax id to create your account. This will give you access to any contracts written through your business, any downline business and commissions paid to your business.

CREATE ACCOUNT FOR YOUR PERSONAL WRITING NUMBER

If you only have an IH personal writing number, use that and your social security number to create your account.

Your account will be accessible after replying to our confirmation email. If you don't receive the email in 5-10 minutes, please check your junk/spam folder. Of course, if you have any problems, please call us at 1-800-422-2011, ext. 6001.

AGENT PORTAL FEATURES

- Real-time Pending Application Status - See the progress of your apps through issue process.
- In-force Status
- Current Values
- Commission Statements
- Client Annual Statements
- Secure Document Upload
- Access to Current Forms - Applications, required sales forms, rate sheets & more.
- Product Illustrations
- Marketing Materials

CLIENT PORTAL FEATURES

Your clients can create a personal portal account after policy issue. They can access:

- Account Value
- Free Withdrawal Amounts
- RMD Information
- Tax Qualification
- Annual Statements
- Full Account History
- Secure Document Upload
- Update Contact Information
- Change Requests Via DocuSign: withdrawals, beneficiary and name changes.

This material is intended to provide educational information about the features of a multi-year, guaranteed annuity and is intended for producer use only and is not to be used as part of the sales process. This material is not and should not be considered personalized financial advice. Investors Heritage Life Insurance Company (Investors Heritage) is not an investment adviser and is not registered as such with the SEC or any state securities regulatory authority. Investors Heritage is not acting in any fiduciary capacity with respect to any contract and/or investment. Please consult your financial professional for more information, including recommendations or advice specific to your needs.

The Heritage Builder is a single premium, multi-year guaranteed annuity (MYGA) issued Investors Heritage Life Insurance Company, 200 Capital Avenue, Frankfort, Kentucky. The Heritage Builder products are available on the following form numbers in most states. State variations apply. Contract form number ICC20-SPDA2 and Market Value Adjustment Rider ICC20-MVA2. Product features and availability vary by state. See policy form for actual contract terms and conditions.

A MYGA is intended to be an insurance product for retirement or other long-term needs for a person who has sufficient cash or other liquid assets available for living expenses and unexpected emergencies, such as medical expenses. A MYGA is not a registered security or stock market investment and does not participate directly in any stock or equity investments or index.

Guarantees and claims paying ability are backed by the financial strength of Investors Heritage. Annuities are not FDIC or NCUA/NCUSIF insured, are not obligations or deposits, are not guaranteed or underwritten by any bank, savings and loan or credit union and are not a condition of the provision or term of any banking service or activity.

Taxable distributions (including certain deemed distributions) are subject to ordinary income taxes and may also be subject to a 10% federal income tax penalty, if taken prior to age 59½. Normal rules surrounding the taxation of IRA payments apply. Early Withdrawal Charges may also apply. Guaranteed amounts may be reduced if withdrawals exceed the free withdrawal amounts. Investors Heritage does not provide tax, legal or accounting advice. Please consult a qualified advisor for such advice.



INVESTORS HERITAGE®

Your Future. Our Life's Work.

PO Box 717 ■ Frankfort, KY 40602 ■ 800.422.2011 ■ www.investorsheritage.com

We started Investors Heritage back when deals were sealed with a handshake. We firmly believe that people deserve respect, commitment and follow-through. Some may call that old fashioned, we don't disagree. We're putting old-fashioned values where they belong — in the future. So, we've always been looking ahead, investing in new technologies and new products to bring peace of mind, comfort, and dependability to our customers.

For over a half century, we've backed our commitment to policyholders with a track record of financial strength and exceptional service. Each of our retirement and savings products is supported by a team of professionals working to protect and grow your savings across market cycles and give you peace of mind knowing that your future needs are met.