



# COMPLIANCE MEMO

**DATE:** April 25, 2011  
**TO:** All American Equity NMO's and Agents  
**FROM:** Dave Milligan, Assistant Vice President, Regulatory Compliance  
**RE:** Pretext Interviews

## IMPORTANT INFORMATION...PLEASE READ CAREFULLY

We wish to remind you about the dangers of using pretext interview techniques in your insurance practice. A typical pretext interview is where a person in an attempt to obtain information about a consumer misrepresents the true nature of the interview and fails to acknowledge that he or she is in the business of selling insurance products.

Many states consider "pretext interviews" as unfair marketing and unfair trade practices. Using such methods in your marketing and solicitation of any insurance product could lead to administrative, civil and criminal penalties.

We have recently seen flyers and invitations inviting the public to "free seminars" or "educational opportunities" dealing with, among other things, financial planning, estate or trust planning, Medicaid planning or VA Benefit planning or qualification. At no time during the seminar, or on any of the materials provided, does it state that the person putting on the seminar is an insurance agent or that the person attending the meeting could be contacted about purchasing insurance products, including annuities. State insurance departments could determine that "pretext interview" techniques were used particularly where the real intent of the seminar is to gather financial information the agent would not otherwise have access to so that he/she can later approach the consumer about purchasing insurance and/or annuities.

**You should not use marketing techniques that involve pretext interviews. The Company prohibits you from using such methods to obtain information or solicit the public for insurance products, including annuities.** Prior to obtaining any financial information, whether in an initial telephone conversation or at a subsequent meeting, you are required to disclose that you are a licensed insurance producer and certain information gathered may be used to solicit insurance products. If you intend on soliciting prospective clients for the sale of insurance products, you must not misrepresent the nature of your meeting, of who you are and what products and services you provide.

Additionally, unless you are qualified and, where required, appropriately licensed, you may **not** represent yourself as an:

|                      |   |
|----------------------|---|
| ▪ Attorney           | ▪ Estate planner                              |
| ▪ Trust advisor      | ▪ Financial planner, counselor or consultant  |
| ▪ Investment advisor | ▪ Medicare or Veteran's Benefits "specialist" |

We realize that you may have a general understanding of estate planning matters and general personal financial planning and you should know how our products may or may not be suitable for potential customers. However, unless you have received specific training and licensing, you cannot give specific advice regarding estate planning issues or financial planning beyond the scope of your insurance license. You must leave these matters to professionals who are properly authorized under state law to discuss these issues and provide such advice.

Insurance companies provide valuable products to public. You should never be hesitant to disclose the fact that you are an insurance producer and, in fact, you should be proud to identify yourself as such. We at American Equity are proud to be providing our products to consumers and we are proud of the hard work and dedication our producers provide.

If you have any questions, please contact me at 1-888-221-1234, ext. 3525. Thank you for your business!