

AGENT ADVISORY

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2009 Annual Compliance Reminders

Sales Material Review

As an annual reminder, we ask agencies and Registered Representatives to review all sales materials used to discuss, promote or present First Symetra National Life Insurance Company of New York products to their clients. The review ensures each piece has been approved by the First Symetra Home Office Compliance Dept. and that the most current version is being used. Sales material includes:

- Advertisements
- Web sites
- Sales illustrations
- Presentation materials
- Forms, graphs, pictures; and,
- Any other written, printed or electronically produced information that describes the benefits, features, performance or costs of our products.

Approved sales material will be identified as follows:

- Printed materials will contain an official Home Office form number printed in the lower left corner of the front page.
- Electronic pieces and Web sites will have a Home Office approval notification.

If your materials do not have the official Home Office approval listed above, they may not be used in the discussion or sale of any First Symetra product or service. Instead, send a copy by FAX to 1-866-817-8776, or by e-mail to invest@symetra.com. We will:

- Review the material
- Make necessary changes
- Assign a form number
- Return the material to you for printing (including form number)

Once your approved sales material is printed, you must submit an original final hard copy, with the assigned form number in the lower left corner, to the First Symetra Home Office Compliance Dept.

If your Web site or electronically produced sales material does not have the accompanying Home Office approval notice, the material must be submitted for our review and approval prior to use.

Any changes made to previously approved materials must be resubmitted for approval through the [Sales Center](#).

To expedite the approval process, please integrate your field manager's or insurance agency principal's review procedures into the process before submitting pieces to First Symetra.

Securities-Related Materials – Following First Symetra Compliance approval, your securities-related sales materials must also be submitted to your broker-dealer for approval.

Our intent is to assist you in complying with the numerous laws and regulations that apply to the sales process. We strive to provide you with current requirements that you, in turn, share with all agents and others in your agency. ***The use of unapproved sales materials may result in cancellation of an agency appointment with First Symetra.*** We welcome your comments and questions, and appreciate your cooperation. If you would like to speak with someone about your sales materials, please contact us at 1-800-796-3872, ext. 65422 or 65493.

Please share the following Values Statement and Market Conduct Concepts with all agents and others in your agency.

Values Statement

First Symetra National Life Insurance Company of New York has a history, tradition and reputation for high ethical standards. In relationship with First Symetra traditions, the compliance values statement explains our expectation that agents and our employees examine their business practices and make sure everything we do is ethical and legally compliant.

We are committed to conducting business in compliance with all market conduct requirements. The following principles are the cornerstones of our business conduct. We expect our agents to:

- a) Act with integrity, which includes being honest with customers and First Symetra.
- b) Understand our customer's financial and insurance objectives, and seek to satisfy those objectives with appropriate financial and insurance products and first-rate service.
- c) Provide only company approved advertising and sales materials to our customers.
- d) Help to resolve customer complaints* and disputes fairly and promptly.
- e) Take appropriate actions, including having adequate supervision, to comply with applicable laws.
- f) Compete actively and fairly so as to provide customers with needed services and products at reasonable prices.

**First Symetra should be notified immediately of any complaint received involving the sale or servicing of one of their products.*

Anti-Money Laundering (AML) Program

Under federal regulations, life insurance companies are required to have an AML program in place that is designed to prevent and detect money laundering. Under the regulations, companies are required to integrate their agents into the program. Therefore, agents need to be alert to red flags indicating possible money laundering and must bring red flags or other suspicious activities to the company's attention. In addition, agents must complete AML training each year. You may take First Symetra's AML training at anytime during the year by going to www.symetra.com/financial/learningcenter/advisories.asp

To report suspicious activities, or if you have other questions about First Symetra's AML program, contact AML Compliance at AMLCOM@symetra.com.

Additional information about agent training requirements can be found at www.symetra.com/financial/learningcenter/advisories.asp.

Military Sales

Federal laws have been enacted to protect military personnel from inappropriate sales of insurance, financial and investment products on a military installation. Additionally, over 30 States have adopted the NAIC Military Sales Practices Model Regulation that expanded the requirements further to protect military personnel by requiring certain disclosures be made at time of sale or offer **regardless of the location of the sale**. If a First Symetra product is being offered to a person active in the military service, the client must receive the disclosure form, LU-894/NY. For individually sold life insurance, an explanation of the free-look period with instructions on how to use it, and either a copy of the application or a written disclosure clearly and concisely stating the type of insurance, the death benefit and the expected first year cost must be delivered to the applicant. Federal laws also require insurers to report any disciplinary action involving sales or solicitations of life insurance products on a military installation. If you have questions regarding the disclosure form or these laws, please contact the Sales Center.

Market Conduct Concepts

Market conduct and compliance continues to be a focus for First Symetra. Accordingly, the regulation of sales activity for insurance products is an area of interest for us. We are committed to independent agents and competition as the effective and efficient means of providing products and services to customers. As such, we want to share the following concepts with you.

Fair Competition

Competition is fair when it is based on the elements of price, quality and service subject to federal and state antitrust laws and state insurance laws and regulations. Focus on fair competition can identify certain negative practices to be eliminated, such as inappropriate replacement and bashing of competitors. Fair competition includes completing necessary replacement forms at time of application and getting illustrations signed and submitted with the application. First Symetra promotes fair competition.

Unfair Competition

Competition is unfair when it is based on unethical, dishonest, false or fraudulent rivalry, particularly related to practices that endeavor to substitute one insurer's products or services in the market for those of another insurer. Some unfair competition practices have been specifically identified and addressed in federal antitrust and trade practices law and regulation. First Symetra strongly opposes unfair competition.

Unfair Trade Practices (Act)

The NAIC model act, and its various forms as enacted by law or regulation in most states, is intended to assure appropriate market conduct in the business of insurance by addressing unfair methods of competition and unfair and deceptive acts and practices. Specifically, this Act defines proscribed conduct in such areas as:

- (1) misrepresentations
- (2) false information
- (3) defamation
- (4) boycott, coercion, and intimidation
- (5) false statements and entries
- (6) unfair discrimination
- (7) rebates
- (8) unfair financial planning practices

First Symetra abides by this Act.

Replacements

Agents appointed to sell our products are obligated to use proper handling in the replacement of life policies and annuity contracts. It is incumbent upon each producer to perform due diligence, including full disclosure, on applicable replacement and suitability forms. These forms must clearly disclose surrender charges, changes in deductibles or coverage, changes in benefits, pre-existing limitations and the like. If an application for a replacement is incomplete, or if full due diligence was not documented with the sale, the application will be considered Not in Good Order (NIGO) and returned to the producer. As always, replacements of life and annuity products, when done properly and in compliance with replacement and suitability standards, are acceptable.

Suitability

Due to the increased scrutiny by state and federal agencies regarding suitability, First Symetra has developed a suitability form, LP-1514/ny, for use with sales of a fixed deferred annuity and immediate annuity. The form includes information you and your clients should discuss prior to taking the application and will assist you and your clients in determining if the product they are purchasing is suitable for their needs. Because the form documents the information used to make a suitability determination, it should help protect you from post sale complaints, concerns and misunderstandings. This form is required with each annuity application.

To report a suspected violation or abuse of our policies or our values statement, please contact us at 1-800-796-3872, ext. 68901. For other questions or concerns contact our Sales Center at 1-800-706-0700.

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