

EquiTrust Life Insurance Company®
Policy on Selling Across State Lines as of 06/2020

Many agents sell in more than one state. *In order to do business in a particular state, you must have a resident or non-resident license and be appointed with EquiTrust to do business in that state.* The governing factor is the state of solicitation. In other words, in most cases the state in which the application is signed governs the details of the sale. Details of the sale include which application to use, which replacement form, which product disclosure, the products that are available and where delivery must occur.

As long as the correct forms are used, the agent is appointed in a particular state and the product is approved in the state, the application will meet this review. **An exception is when the agent and client live in the same state and cross state lines to write business.** For example, as outlined in situation 5 on the chart below, if the agent and client are from Iowa (A), and travel to Nebraska (B) to write an application, the application will not be accepted.

Furthermore, a client cannot go to another state and purchase a product if the product is not available in their resident state.

Situation	Client Residence	Agent Residence	State of Solicitation	Product approved in state	Acceptable
1	A	A	A	A	Yes
2	A	B	A	A	Yes
3	A	B	B	A & B	Yes
4	A	B	C	A & C	Yes
5	A	A	B	N/A	No
6	A	B	B	B only	No

Note: Situation 1 is not an example of a cross-state sale, but is provided as an example of the “usual” situation.

Other state specific exceptions may exist.

- California – Residents of California cannot purchase an annuity product outside of California.
- Florida – If a client resides in Florida, the state Accredited Investor requirements still apply – even if the application is signed outside of that state.
- Massachusetts - By state requirement, no resident of the Commonwealth may sign an annuity application outside of that state.
- New York - When the client’s primary residence is in the state of New York we will not accept the business. The state of New York has very rigid rules in relation to insurance sales and they have strict rules about agents taking their residents to another state to avert their rules and regulations. These rules are designed to curtail situations where state lines are crossed only to obtain a product not available in NY, not to stop business when the client has legitimate residences in multiple states, and therefore would be likely to obtain insurance/annuities in any of those states.
- Utah – Residents of Utah cannot purchase an annuity product outside of Utah.

In situations where the client has residences in multiple states and the sale is solicited in the state where the client votes and the client has a valid driver’s license issued by that state, the product is approved in the state, and the agent is licensed to do business in the state, an exception may be considered (with the exception of annuity products in Massachusetts) **In all situations it is important to understand that delivery must occur in the state in which the application was signed.**