

National Security Ins Co (NSIC)

REQUIRED CARRIER SPECIFIC TRAINING (CST) INSTRUCTIONS

Annuity Carrier Specific Product Training and state mandated **NAIC Annuity Training** (see STATE ANNUITY SUITABILITY TRAINING REQUIREMENT for regulation) must be completed prior to soliciting business. Failure to do so will result in rejected business.

Please carefully review the information below and provide a copy of the training certificate to ECA Marketing (licensing@ecamarketing.com) once complete.

If you will not be participating in solicitation of annuity products with this carrier, you can bypass the CST requirements. **Life** producers are required to abide by the rules set in place by the carrier for any additional training requirements. Review **ADDITIONAL REQUIRED TRAINING** before proceeding.

Annuity Carrier Specific Product Training

Who should complete the product training?

All agents must complete product training, regardless of the state.

When can the product training be taken?

Access to the product training is available at any time via a PDF or within SureLC. Completion of the training is a requirement of the agent contract. NSIC will not issue an agent code or allow access to the e-App until product training is in good order.

Product Training Directions:

1. Review the MULTI-YEAR GUARANTEED FIXED ANNUITY PRODUCER TRAINING attached to this document or within SureLC
2. Sign the TRAINING CERTIFICATION
3. Return the TRAINING CERTIFICATION to licensing@ecamarketing.com

SureLC Notice: If completing the contracting through SuranceBay (SLC), the product training PDF will be provided while answering the carrier specific questions during the review/confirmation process. Select the TRAINING REQUIREMENT box to attest that the training has been reviewed. The TRAINING CERTIFICATION will automatically be generated and provided to ECA Marketing. The date of completion will be the date that the contract was digitally "confirmed" by the agent.

Additional Required Training

Anti-Money Laundering Training (AML):





NSIC will accept AML from SuranceBay, QuestCE, SuccessCE, WebCE, LIMRA and RegEd. The most recent completion date must be within the past 2 years. Except for LIMRA, a copy of the certificate must be included with the contract. NSIC will not issue an agent code or allow access to the e-App until AML is in good order.

NAIC ANNUITY SUITABILITY AND BEST INTEREST STANDARD STATE TRAINING REQUIREMENTS

The following states have adopted some version of the NAIC Suitability in Annuity Transactions Model Regulation, 4-Hour Annuity Training and/or the revised regulation, Best Interest Standard (BIS). For states that have implemented the Best Interest Standard, all licensed producers are required to take either a 1-hour supplementary training or a new 4-hour training that includes the Best Interest Standard.

Training must be taken through a state-approved vendor prior to soliciting business. Please provide a copy of your training certificate to ECA Marketing (licensing@ecamarketing.com). For further information, refer to the tables on the following page or contact your licensing representative.



	Mandatory NAIC		Pending BIS
	Mandatory Annuity Training – Requirement Varies		
	Mandatory NAIC including BIS		

Mandatory Annuity Training - Requirement Varies:

Interpretation of the state ruling may vary by insurer

CALIFORNIA	Resident and non-resident agents soliciting annuities in CA must complete an initial 8-hour CA state specific course along with 4-hour refresher course every two years prior to license renewal. CA does not allow reciprocity for the annuity training between states.
IOWA	In addition to the 4-Hour NAIC Annuity and BIS courses, agents selling indexed annuities in IA must take a one-time 4-hour course specific to indexed annuity products.
MINNESOTA	The state of MN is requiring an additional course topic that is not covered in NAIC Model Reg #275. Resident and non-resident producers must take a 1 or 4-hour course that specifically includes "the recognition of indicators that a prospective insured may lack the short-term memory or judgment to knowingly purchase an insurance product". The MN course is titled "Best Interest Standards of Conduct for Annuity Sales". Reciprocity amongst other states will be allowed, provided the course includes additional course topic.
NEVADA	BIS requirement pending legislation. No specific hourly requirements have been implemented for NAIC.
NEW YORK	Effective 8/1/19 for Annuities and 2/1/20 for Life, NY has amended Regulation 187 (Suitability and Best Interests) to include agent training. NY has not instituted an hourly CE requirement; however, resident and non-resident agents are required by the insurer to take an undefined hourly vendor training specific to "Suitability & Best Practices in Life Insurance & Annuity Transactions" prior to soliciting new business or servicing in-force policies originally issued in NY. Training taken for the state of NY is specific to the state of NY, reciprocity is not allowed.
TEXAS	Resident and non-resident agents must complete a one-time 4-hour annuity CE course. In addition, resident agents must take 8 hours of ongoing CE specifically relating to annuities each license period. Licensees that are exempt from CE are not exempt from the initial 4-hour annuity training or Best Interest Standard. Exemptions apply to the ongoing 8 hours of CE required each license period. TX will accept most annuity courses taken in other states.
UTAH	NAIC including BIS has been approved by the state and is a new requirement. Producers licensed prior to 7/1/2024 are not required to be compliant with the 4-hour annuity CE.
VERMONT	NAIC including BIS has been approved by the state and is a new requirement. Producers licensed prior to 7/5/2024 are not required to be compliant with the 4-hour annuity CE.

Mandatory – NAIC Annuity including Best Interest Standard:

EXISTING PRODUCERS have the option to complete either a new 4-hour training that includes BIS or a 1-hour supplementary training specific to BIS.

Most states allow EXISTING PRODUCERS a 6-month grace period for completion - *grace period allowance can vary by insurer*. The 1-hour course will no longer be available after the EXISTING PRODUCER release date. NEW PRODUCERS must complete a full 4-hour training that includes BIS.

STATE	NEW PRODUCERS	EXISTING PRODUCERS	STATE	NEW PRODUCERS	EXISTING PRODUCERS
ALABAMA	1/1/2022	6/30/2022	MONTANA	10/1/2021	4/1/2022
ALASKA	1/15/2023	7/15/2023	NEBRASKA	7/1/2021	12/31/2021
ARIZONA	1/1/2021	6/30/2021	NEW MEXICO	10/1/2022	4/1/2023
ARKANSAS	1/1/2022	1/1/2022	NEW HAMPSHIRE	2/16/2024	8/15/2024
COLORADO	11/1/2022	5/1/2023	NORTH CAROLINA	1/1/2023	7/1/2023
CONNECTICUT	3/1/2022	9/1/2022	NORTH DAKOTA	1/1/2022	6/30/2022
DELAWARE	8/1/2021	2/1/2022	OHIO	2/14/2021	8/14/2021
FLORIDA	1/1/2024	7/1/2024	OKLAHOMA	9/1/2023	5/1/2024
GEORGIA	8/1/2023	1/31/2024	OREGON	1/1/2024	7/1/2024
HAWAII	12/31/2022	7/1/2023	PENNSYLVANIA	6/22/2022	12/22/2022
IDAHO	7/1/2021	2/1/2022	RHODE ISLAND	4/1/2021	10/1/2021
ILLINOIS	8/1/2023	2/1/2024	SOUTH CAROLINA	11/27/2022	5/27/2023
IOWA	1/1/2021	7/1/2021	SOUTH DAKOTA	1/1/2023	7/1/2023
KANSAS	1/1/2024	7/1/2024	TENNESSEE	1/1/2024	7/1/2024
KENTUCKY	1/1/2022	6/30/2022	TEXAS	1/1/2022	1/1/2022
MAINE	1/1/2022	7/1/2022	VIRGINIA	9/1/2021	3/1/2022
MARYLAND	10/8/2022	4/8/2023	WASHINGTON	1/1/2024	7/1/2024
MASSACHUSETTS	6/1/2023	6/1/2023	WEST VIRGINIA	6/8/2023	12/8/2023
MICHIGAN	6/29/2021	12/29/2021	WISCONSIN	10/1/2022	4/1/2023
MINNESOTA	1/1/2023	6/30/2023	WYOMING	1/1/2023	7/1/2023
MISSISSIPPI	1/1/2022	6/30/2022			

Pending – Best Interest Standard:

STATE	NEW PRODUCERS	EXISTING PRODUCERS	STATE	NEW PRODUCERS	EXISTING PRODUCERS
CALIFORNIA	1/1/2025	1/1/2025	MISSOURI	TBD – Pending Legislation	TBD – Pending Legislation
INDIANA	7/1/2024	7/1/2024	VERMONT	7/5/2024	1/4/2025
NEVADA	TBD – Pending Legislation	TBD – Pending Legislation	UTAH	7/1/2024	6/30/2025

National Security Insurance Company

Multi-Year Guaranteed Fixed Annuity

Producer Training



National Security
Insurance Company

This training material is designed for producer use only and provides a general overview of National Security's MYGA product. Specific product features and contract language may vary by state. Not for public distribution.



National Security Insurance Company

Multi-Year Guaranteed Fixed
Annuity (MYGA)

What is a MYGA

A multi-year guaranteed annuity (MYGA) is a long-term financial contract between you and an insurance company that is designed to protect and grow your money tax-deferred while providing a guaranteed return for a fixed period of time.

Why choose a MYGA

MYGAs provide:

- Guaranteed Interest Rates
- Premium Protection
- Tax-Deferred Growth
- Death Benefits for Beneficiaries

National Security Insurance Company

Multi-Year Guaranteed Fixed Annuity



Who is right for a MYGA

Individuals* who are:

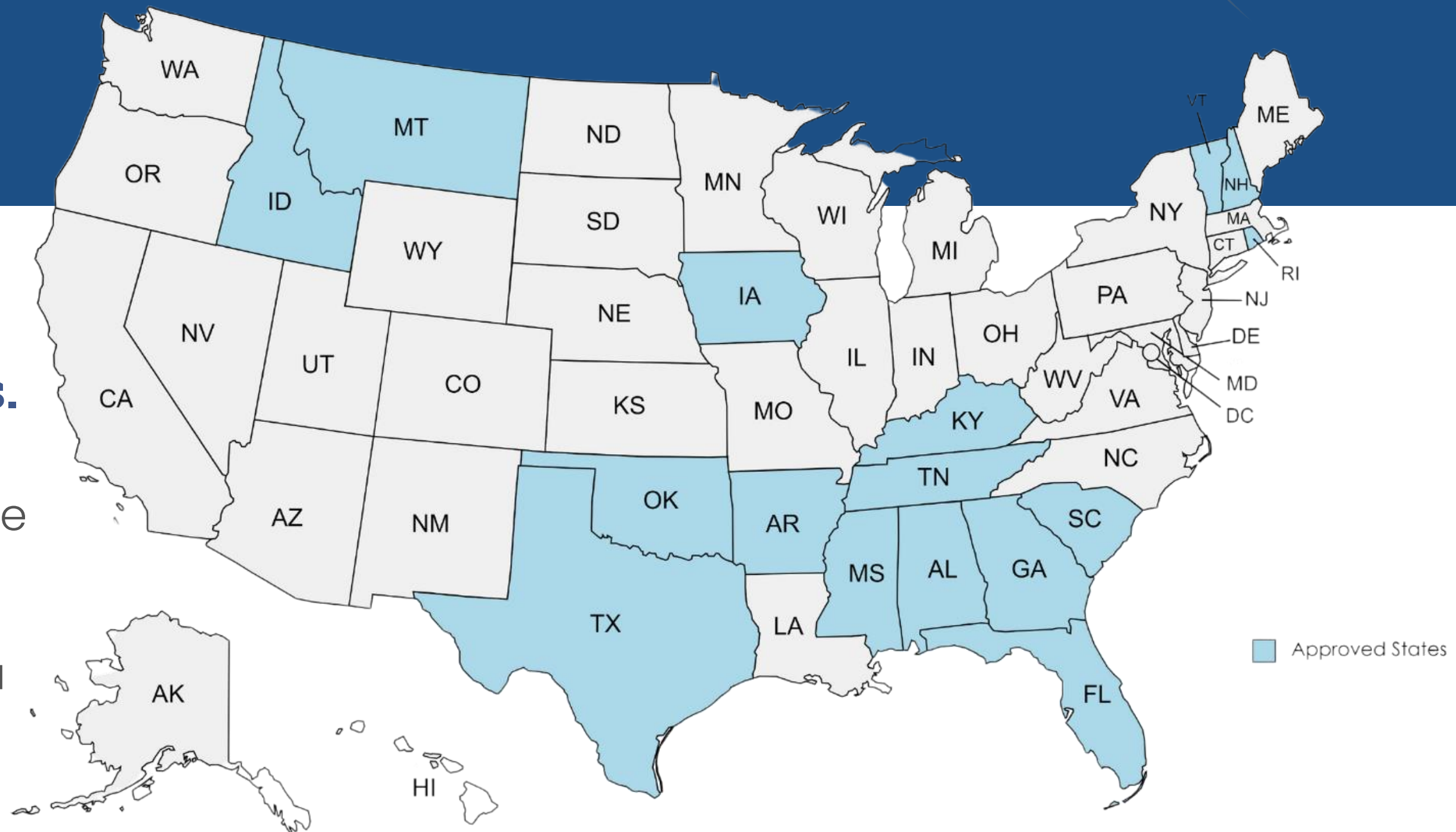
- Closer to or in retirement
- Wanting protection from market volatility
- Desiring tax-deferred growth
- Seeking an interest rate higher than what may be offered through traditional savings instruments
- Considering guaranteed retirement income options

*Joint Ownership Allowed. Owner and/or Annuitant may not be an organization or non person at this time.

State Footprint

National Security Insurance Company's MYGA product is currently available in 16 states.

- Alabama
- Arkansas
- Florida
- Georgia
- Idaho
- Iowa
- Kentucky
- Mississippi
- Montana
- New Hampshire
- Oklahoma
- Rhode Island
- South Carolina
- Tennessee
- Texas
- Vermont



Features and Benefits

Product Type

Single Premium Deferred Fixed Annuity

Issue Age

Ages 0 – 85

Minimum / Maximum Premium

\$25,000 to \$1,000,000

Premium Protection

There is no risk of market volatility.
Premium is protected from market downturns.



Features and Benefits

Fees

No upfront charges

Tax Deferred Growth

Premium grows tax deferred until withdrawn

Death Benefit

Beneficiaries will receive the full contract value.

Initial Interest Guarantee Period

The Initial Interest Guarantee Period is selected at the time of application. Interest Guarantee Period options are 3, 4, 5, 6, or 7 years.



— Features and Benefits

Interest Rates

- Interest rates are guaranteed for the selected guarantee period.
- Interest rates are quoted as effective annual yields.
- During the guarantee period, interest is compounded daily.

Death Benefit

If the owner's death occurs before the date the annuity payment is made, the beneficiaries will receive the full contract value.



National Security
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Penalty-Free Withdrawals

Penalty-Free Partial Surrender Rider

A client may, by written request, withdraw up to the Penalty-Free partial surrender amount per contract year without incurring surrender charges.

The Penalty-Free Partial Surrender Amount is equal to 10% of the contract value on the date of the withdrawal, or the Required Minimum Distribution (RMD) amount if applicable, whichever is greater, minus the amount of any withdrawals taken during the same contract year.

The Penalty-Free Withdrawal option begins after the first contract anniversary.



Renewal Options

At least 30 days prior to the end of the Initial Interest Guarantee Period, a notice will be sent outlining the renewal options.

- 1) Contract can be continued for the same guarantee period at the declared renewal rate.
- 2) Contract can be surrendered without a surcharge
- 3) Contract can be continued for a different guarantee period.

If an election is not made, the contract will renew at the same guarantee period at the declared renewal rate.



Free Look Period

The contract may be returned to National Security or to the agent through whom the contract was purchased within 20 days or, if the contract replaced any other life insurance or annuity contracts, within 30 days after receiving it. The company will refund the single premium paid.

In Florida, the contract may be returned to National Security or to the agent through whom the contract was purchased within 21 days if unsatisfactory to the applicant. The company will refund the single premium paid.

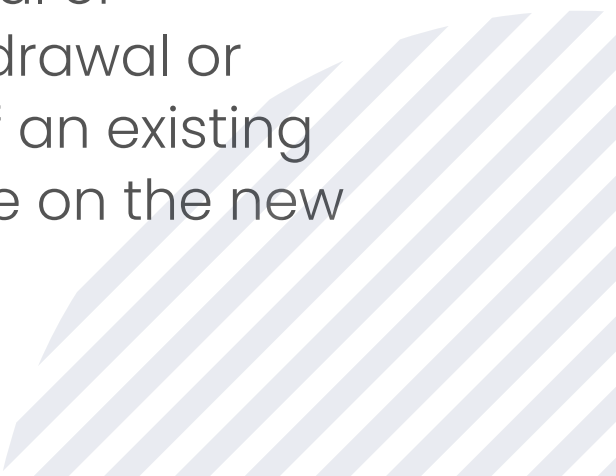




— Replacement

The Company relies on your insight and personal knowledge of your client's financial situation to identify and disclose any purchase that could be considered a replacement.

Definition of a Replacement: A transaction in which a new life insurance policy or annuity contract is purchased, and it is known or should be known that an existing life insurance policy or annuity contract has been or will be:

- Lapsed, forfeited, surrendered, partially surrendered, assigned to the replacing carrier, or otherwise terminated.
 - Amended to result in a reduction in benefits or coverage.
 - Reissued with any reduction in benefits or coverage
 - Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value using non-forfeiture benefits or other policy values.
 - Used in a financed purchase. A financed purchase is the purchase of a new policy involving the actual or intended use of funds obtained by the withdrawal or surrender of, or by borrowing from values of an existing policy, to pay all or part of any premium due on the new policy.
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Rate Lock Procedure

Cash With Application

Application signed prior to the effective date of the rate change and received in the home office within 15 calendar days from the signed application date will receive the better of the annuity rates in effect on:

- the date the application was signed, or
- the date the annuity contract is issued

Applications received at the home office beyond 15 calendar days from the signed application date will receive the annuity rates in effect on the date the contract is issued.

Fund Transfer/1035 Exchange

Applications must be signed prior to the effective date of the rate change and received in the home office within 15 calendar days from the signed application date. If ALL funds are received in the home office within 45 calendar days from the date the annuity was signed, the annuity rates will be the better of the rates in effect on:

- the date the application was signed, or
- the date the annuity contract is issued

If ALL funds are not received in the home office within 45 calendar days, the annuity rates will be those rates in effect on the date the annuity contract is issued.

Electronic Submissions: The sign date is the date business is submitted onto the electronic system.



Surrender Charge

Withdrawal of the contract value may be subject to a surrender charge percentage, as shown in the Surrender Charge Schedule. Only the full contract value can be surrendered, no partial surrenders allowed.

The surrender charge will be determined by multiplying the amount subject to the charge by the appropriate percentage shown in the Surrender Charge Schedule. See Surrender Charge Schedule and Contract for full details.

Guaranteed period in years	Surrender Charge Percentage by Contract Year						
	0 to 1	2	3	4	5	6	7
3	9%	8%	7%				
4	9%	8%	7%	6%			
5	9%	8%	7%	6%	5%		
6	9%	8%	7%	6%	5%	4%	
7	9%	8%	7%	6%	5%	4%	3%

Fund Type Permitted

- Non-Qualified Funds

Currently, only non-qualified funds are permitted. Qualified funds are not permitted at this time.

Funding the Annuity

The annuity can only be funded with a single premium payment. No subsequent premiums will be accepted.

Checks, wire transfers, and fund transfer/1035 Exchange are accepted.

The contract will be issued when funds are received.



National Security Insurance Company

Training Certification

I have completed and understand the provisions of
National Security's MYGA product-specific training.

Signature _____ Date _____

Printed Name _____ NPN _____



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