

Insurance Products Important Disclosures for D.A Davidson Clients

The following provides you with information relating to the compensation that D.A. Davidson and its Financial Consultants may have or earn from insurance products made available to D.A. Davidson clients.

Compensation D.A. Davidson and its Financial Consultants Receive from the sale of Insurance Products. D.A. Davidson receives commission from insurance companies when an annuity or life insurance policy is purchased by a customer through a D.A. Davidson representative. Financial Consultants are compensated by D.A. Davidson from commissions paid to the firm.

Financial Consultants may choose from among different commission options as set forth in the contract between D.A. Davidson and the insurance company. The different options that may be offered are as follows:

- A onetime commission based on the purchase amount
- A reduced onetime commission and an asset-based trailer paid quarterly for a number of years
- A further reduced onetime commission and higher asset-based trailer paid quarterly for a number of years.

The commission option chosen by the Financial Consultant normally has no impact on the expense of the product purchased and, in no event, results in a direct charge to the client as a deduction in the premium payment. Notwithstanding differences among insurance policies and companies, D.A. Davidson compensates its Financial Consultants in a manner that is designed to be insurance company neutral so that Financial Consultants do not receive an incentive to sell a particular insurance product over another, solely based on the compensation they or D.A. Davidson may receive.

Surrender Charges. In certain cases, if the insurance contract is cancelled a surrender charge may apply, depending on how long the contract was in force. The surrender charge reimburses the insurance company for the expense of distributing and marketing the insurance product and paying of commissions. The surrender charge is subtracted from the funds being returned to the customer. Neither D.A. Davidson nor its Financial Consultants receive any portion of the surrender charge or other compensation in connection with the surrender.

Education/Conference Sponsorships by Insurance Companies. D.A. Davidson may on occasion sponsor an educational conference for Financial Consultants and an insurance company may pay a portion of the conference expense. Insurance companies also provide continuing education sessions for Financial Consultants. D.A. Davidson does not maintain or promote a preferred list of insurance companies who pay extra in order to provide products to D.A. Davidson. However, some insurance companies will pay additional commission if a broker-dealer, such as D.A. Davidson, acts in a general agency capacity, providing services normally performed by the insurance company. Financial Consultants do not receive any portion of this additional compensation.

If you have questions about compensation received by D.A. Davidson or your Financial Consultant from the sale of insurance products please contact your Financial Consultant.

Information on a specific insurance product and company and its policies regarding the above topics can be found in the insurance contract and prospectus, if applicable. General information on insurance, both annuities and life insurance can be found on the educational websites of the U.S. Securities and Exchange

Commission (www.sec.gov); the Financial Industry Regulatory Authority (www.finra.com); the Securities Industry and Financial Services Association (www.sifma.org); and, the National Association of Insurance Commissioners (www.naic.org).