



NAIC Revises Suitability Model Regulation

**Adopted by Arizona, Iowa & Rhode Island.
More States to Follow**

The National Association of Insurance Commissioners (NAIC) revised the Suitability in Annuity Transactions Model Regulation 275. Since finalized in February 2020, three states have adopted the Regulation: **Arizona, Iowa** and **Rhode Island**. More states are in the process of adopting now. We will update you as other states adopt.

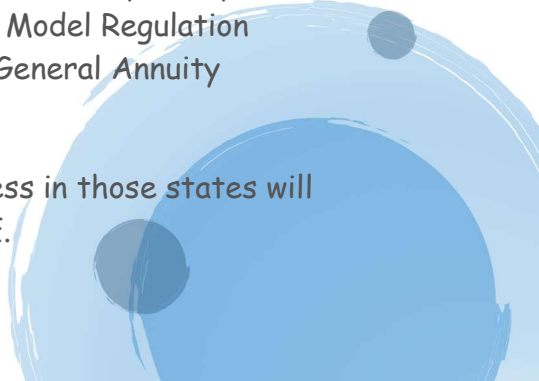
Revisions to the Model Regulation include:


- Requires insurance producers and companies to act with a heightened standard of care in the solicitation and sale of annuities.
- Producers must act in the "best interest" of their customers.
- The best-interest standard is met by satisfying four distinct levels of obligation:
 - Care
 - Disclosure
 - Conflict-of-interest
 - Documentation
- Insurers must establish and maintain a system of supervision to assure that the insurance needs and financial objectives of customers are effectively met at the time of the sale.

How to Comply with the Revised Model Regulation

To solicit and sell annuities, producers must comply with regulations adopted by the state in which they write business. The previous version of the Model Regulation required Carrier Product-Specific Training as well as a 4-hour General Annuity Suitability CE.

As states adopt the Revised Regulation, producers doing business in those states will be required to complete **additional** General Annuity Training CE.





The revisions to the Model Regulation require completion of **EITHER** a 1-hour *General Annuity Training CE* course available by producers who have taken the previous NAIC Annuity Suitability training, **OR** a new 4-hour *General Annuity Training CE* for those who have not taken it previously. *General Annuity Training CE* must be completed with a training vendor approved by the state of sale.

Training Completion Deadlines in States Which Have Adopted the Revised Model Regulation

Arizona

Original General Annuity Training

Newly State Licensed 1/1/2018
Currently State Licensed 1/1/2018

2020 Update General Annuity Training

Newly State Licensed 12/31/2020
Currently State Licensed 6/30/2021

Iowa

Original General Annuity Training

Newly State Licensed 5/1/2011
Currently State Licensed 5/1/2011

2020 Update General Annuity Training

Newly State Licensed 1/1/2021
Currently State Licensed 7/1/2021

Rhode Island

Original General Annuity Training

Newly State Licensed 6/1/2011
Currently State Licensed 12/1/2011

2020 Update General Annuity Training

Newly State Licensed 4/1/2021
Currently State Licensed 7/1/2021

