

## ONLINE ANNUITY TRAINING COURSES

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### *“Annuity Best Interest Standards” (1-Hour)*

#### **COURSE OVERVIEW:**

On February 13, 2020, the NAIC Executive Committee and the Plenary voted to approve an update to the NAICs Suitability in Annuity Transactions Model Regulation (Model # 275). The revisions, specifically Section 1A defines the purpose of this regulation to require producers, as defined in this regulation, to act in the best interest of the consumer when making a recommendation of an annuity and to require insurers to establish and maintain a system to supervise recommendations so that the insurance needs and financial objectives of consumers at the time of the transaction are effectively addressed. Specifically, Section 7B of the Model Regulation, requires a one-time, minimum four credit hour general annuity training course offered by an insurance-department approved education provider and approved by an insurance department in accordance with applicable insurance education training laws or regulations. Additionally, under Section 7A of the Model Regulation, insurance producers will also need to complete product-specific training through the insurance carriers whose products they sell. (Note that Oklahoma has not mandated product specific training). Section 7A states a producer shall not solicit the sale of an annuity product unless the producer has adequate knowledge of the product to recommend the annuity, and that the producer is in compliance with the insurer’s standards for product training. A producer may rely on insurer-provided product-specific training standards and materials to comply with this subsection.

#### **LEARNING OBJECTIVES:**

Upon completion of the course, the student will be able to:

- Describe what the regulation means by “best interest standard”
- Determine how producers can meet the best interest standard
- Disclose the associated producer obligations that pertain to care, disclosure, conflicts of interest, and documentation
- List the requirements that insurers have to create and maintain a system of supervision to ensure compliance with the model regulation
- Identify the types of financial professionals who may qualify for a “safe harbor” exemption to the NAIC’s model regulation and the comparable standards they have to meet

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# ***“4-Hour Annuity Suitability Best Interest Training Course”***

## **COURSE OVERVIEW:**

On February 13, 2020, the NAIC Executive Committee and the Plenary voted to approve an update to the NAICs Suitability in Annuity Transactions Model Regulation (Model # 275). The revisions, specifically Section 1A defines the purpose of this regulation to require producers, as defined in this regulation, to act in the best interest of the consumer when making a recommendation of an annuity and to require insurers to establish and maintain a system to supervise recommendations so that the insurance needs and financial objectives of consumers at the time of the transaction are effectively addressed. Specifically, Section 7B of the Model Regulation, requires a one-time, minimum four credit hour general annuity training course offered by an insurance-department approved education provider and approved by an insurance department in accordance with applicable insurance education training laws or regulations. Additionally, under Section 7A of the Model Regulation, insurance producers will also need to complete product-specific training through the insurance carriers whose products they sell. (Note that Oklahoma has not mandated product specific training). Section 7A states a producer shall not solicit the sale of an annuity product unless the producer has adequate knowledge of the product to recommend the annuity, and that the producer is in compliance with the insurer’s standards for product training. A producer may rely on insurer-provided product-specific training standards and materials to comply with this subsection. The minimum length of the training required under this subsection shall be sufficient to qualify for at least four (4) CE credits but may be longer. Producers who hold a life insurance line of authority on the effective date of this regulation and who desire to sell annuities shall complete the requirements of this subsection within six (6) months after the effective date of this regulation. Newly granted licenses with this authority must complete the requirement prior to the sale of annuities.

## **LEARNING OBJECTIVES:**

Upon completion of the course, the student will be able to:

- Demonstrate an understanding of all annuity types and basic terms
- Identify the parties to an annuity contract
- Understand and explain how annuities are taxed
- Apply marketing, sales, and record-keeping practices
- Identify the suitability requirements that apply when recommending and selling annuities
- Recognize the repercussions that may result from an improperly structured annuity

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## ***“Annuity Best Interest Standards Training Course” (7, 8, 9 or 10-Hour – varies by state)***

### **COURSE OVERVIEW:**

On February 13, 2020, the NAIC Executive Committee and the Plenary voted to approve an update to the NAICs Suitability in Annuity Transactions Model Regulation (Model # 275). The revisions, specifically Section 1A defines the purpose of this regulation to require producers, as defined in this regulation, to act in the best interest of the consumer when making a recommendation of an annuity and to require insurers to establish and maintain a system to supervise recommendations so that the insurance needs and financial objectives of consumers at the time of the transaction are effectively addressed. Specifically, Section 7B of the Model Regulation, requires a one-time, minimum four credit hour general annuity training course offered by an insurance-department approved education provider and approved by an insurance department in accordance with applicable insurance education training laws or regulations. Additionally, under Section 7A of the Model Regulation, insurance producers will also need to complete product-specific training through the insurance carriers whose products they sell. (Note that Oklahoma has not mandated product specific training). Section 7A states a producer shall not solicit the sale of an annuity product unless the producer has adequate knowledge of the product to recommend the annuity, and that the producer is in compliance with the insurer's standards for product training. A producer may rely on insurer-provided product-specific training standards and materials to comply with this subsection.

### **LEARNING OBJECTIVES:**

Upon completion of the course, the student will be able to:

- Demonstrate an understanding of all annuity types and basic terms
- Identify the parties to an annuity contract
- Understand and explain how annuities are taxed
- Apply marketing, sales, and record-keeping practices
- Identify the suitability requirements that apply when recommending and selling annuities
- Recognize the repercussions that may result from an improperly structured annuity