

Protective Life Compliance Bulletin

DATE: December 14, 2020

Annuity Suitability Program

Protective Life is dedicated to providing quality service, building trust and simplifying everything for you and our mutual customers. Please review the following information about Protective Life's Annuity Suitability Program.

Centralized online resources

Protective Life has created an Annuity and Life Insurance Suitability Information webpage under the Doing Business with Us tab at [MyProtective.com](https://www.myprotective.com). This webpage is designed to be a central point of reference for Protective Life's Annuity Suitability Program. The webpage currently contains information regarding many of the items described in this bulletin, including Protective Life's Annuity Suitability Guidelines, Annuity Suitability Producer Guide, Point of Sale Marketing Material, National Association of Insurance Commissioners' (NAIC's) training requirements, Annuity Suitability Review Desk Frequently Asked Questions and more.

In recommending an Annuity Transaction, a producer must have reasonable grounds for believing that the recommendation is in the consumer's best interest and effectively addresses their individual insurance needs and financial objectives. Protective has developed Annuity Suitability and Best Interest Guidelines and an Annuity Suitability Producer Guide to help ensure producers comply with applicable annuity suitability laws and regulations. The Guidelines provide important information about the NAIC's Suitability in Annuity Transactions Model Regulation (the Model Regulation), as well as annuity suitability regulations in states that have adopted the Model Regulation. Producers should refer to the Guidelines to understand more about Protective Life's Annuity Suitability Program.

NAIC updates to Model Regulation

In February 2020, the NAIC approved an update to its Suitability in Annuity Transactions Model Regulation. The update includes a consumer-focused set of standards and practices to ensure the producer is acting in the consumers "best interest." The changes have been incorporated into our Suitability Program documents, including the Annuity Suitability Producer Guide.

We have updated our Suitability Questionnaire (Consumer Profile and Suitability Questionnaire for Fixed Annuities – LAD-1243R) with the additional information required and have included Appendix B – Consumer Refusal to Provide Information and Appendix C – Consumer Decision to Purchase



an Annuity Not Based on a Recommendation. Although these are new forms, they represent items that we already address on our current Suitability form.

The additional information required by the update will be beneficial to Producers to determine whether a recommendation addresses the consumer's financial situation, insurance needs and financial objectives. As a result, we are implementing the updated form in all states.

[Consumer profile and suitability questionnaire »](#)

[Appendix B: Consumer refusal to provide information »](#)

[Appendix C: Consumer decision to purchase an annuity not based on a recommendation »](#)

[New requirements for adopted states only \(Arizona and Iowa\)](#)

Iowa and Arizona have adopted the new NAIC Model effective **January 1, 2021**. States adopting the updated Model Regulation will require the completion of an updated 4-hour training course for new producers and a 1-hour supplemental course for producers who have already completed it. Please refer to our Producer Training document for further details.

In addition, producers will be required to complete Appendix A – Insurance Agent (Producer) Disclosure for Annuities describing the types of products the producer can sell, whose annuities the producer can sell and how the producer is compensated.

[Appendix A: Insurance agent \(producer\) disclosure for annuities »](#)

Important: Appendices A, B and C, in addition to the updated Consumer Profile and Suitability Questionnaire, will be required effective **January 1, 2021** in Arizona and Iowa. Due to regulatory requirements, there will be no grace period.

[New requirements for remaining states](#)

Appendices B and C, in addition to the updated Consumer Profile and Suitability Questionnaire, will be required effective **February 1, 2021**. Protective will provide a 15-day grace period in these states.

Please note: In all cases, application packets will be updated to include all required forms.

[Idaho product disclosure](#)

We also want to remind you about the [bulletin sent October 26, 2020](#), regarding the new state regulation in Idaho that requires additional product disclosure for annuities sold on or after October 1, 2020. This new law only applies to our deferred fixed and indexed annuities and does not apply to variable, registered index-linked or immediate annuities. The form must be completed at the same time as the application and submitted with the order.



Consumer education materials

The Point of Sale Marketing Material section is a helpful reminder to producers that Protective Life has made available product-specific marketing material to be used with consumers at the point of sale. Protective Life encourages you to use these materials to help educate consumers about how our products work and includes information on available riders, endorsements, restrictions, withdrawals, annuitization, expenses, surrender charges and other important features.

Training

Product training is available for all Protective Life's annuity products. Some states require producers to complete a training course before selling or soliciting clients for annuity products. Protective Life provides online training courses that will allow producers to complete all product specific training requirements, including the new requirements for Iowa and Arizona available January 1, 2021. Training modules for all annuity products have been made available utilizing the online platform RegEd. Certificates of completion are required to validate that training requirements have been met.

Suitability Review Desk

Protective Life has an Annuity Suitability Review Desk that is available to answer general questions concerning annuity suitability or the Annuity Suitability Questionnaire. The Annuity Suitability Review Desk can be reached at AnnuitySuitabilityReview@Protective.com.

Suitability refresher course

We encourage you to visit the Annuity and Life Insurance Suitability Information page under the Doing Business with Us tab at MyProtective.com for more information. This is where you will find the refresher course for the Suitability training that includes the updated NAIC model regulation available January 1, 2021.

Contact us for additional support

- Allstate: 877-905-3078
- Annuity IMO: 800-421-5614
- Bank/Broker-Dealer: 888-340-3428
- Edward Jones: 800-628-6390
- Liberty: 800-866-6410
- Single premium whole life: 800-500-2995

