



## Compliance Newsletter – July 2022

Protective is committed to making the most of every opportunity to put **more within your reach** – more tools and more resources to help you **do the right thing, serve people, build trust, and aspire for better**. Because together we are all Protectors.

### Suitability

As a reminder, the NAIC Suitability in Annuity Transactions Model Regulation (Model Regulation) provides the framework for annuity suitability guidelines. The Model Regulation was revised with enhanced standards in 2020 which mandate that a producer must act in the best interest of the consumer in recommending an annuity transaction to an applicant. As such, a producer must have reasonable grounds for believing that a recommendation effectively addresses the consumer's individual insurance needs and financial objectives.

To help producers comply with the requirements set forth by the Model Regulation, Protective has created an **Annuity and Life Insurance Suitability Information** hub on [MyProtective.com](https://www.myprotective.com) under the **Doing Business with Us** tab. This resource is designed to be a centralized point of reference for Protective's Annuity Suitability Program. Within this hub, you will be able to navigate to resources quickly and easily such as Protective's Annuity Suitability Guidelines, Annuity Suitability Producer Guide, Point of Sale Marketing Material, National Association of Insurance Commissioners' (NAIC) training requirements, and Annuity Suitability Review Desk Frequently Asked Questions. Specifically, the Annuity Suitability and Best Interest Guidelines as well as the Annuity Suitability Producer Guide are available to help ensure producers comply with the applicable annuity suitability laws and regulations, including important information about the Model Regulation.

Producers are reminded that annuity suitability is among a producer's primary responsibility under state and federal regulations.

### NAIC Suitability in Annuity Transactions Training Requirements

The NAIC Model Regulation mandates that producers must complete a general four-hour annuity training course. Insurance producers who had completed the 4-hour training prior to the effective date of the newly adopted Model Regulation are required to successfully complete a new 4-hour or a 1-hour supplemental training course. The course covers types of annuities, uses of annuities, taxation of annuities, appropriate sales practices, and more.

Producers should review the following grid to determine training requirements and deadlines by state. Applications signed after the deadline will not be accepted if the producer has not completed the appropriate training. Producers can complete this training through any approved CE provider including Quest, RegEd, and Kaplan.

<b>Best Interest Adopted – Past Deadline</b>		<b>Best Interest Adopted – Future Deadline</b>		
<b>State</b>	<b>Producer Training Deadline</b>	<b>State</b>	<b>Training Start Date</b>	<b>Training Deadline</b>
Alabama	7/1/2022	Connecticut	3/1/2022	8/31/2022
Arizona	7/1/2021	Hawaii	1/1/2023	7/1/2023
Arkansas	7/1/2021	Maryland	10/8/2022	4/8/2023
Delaware	2/1/2022	Minnesota	1/1/2023	7/1/2023
Idaho	1/1/2022	New Mexico	10/1/2022	4/1/2023
Iowa	7/1/2021	Pennsylvania	6/20/2022	12/20/2022
Kentucky	7/1/2022	South Carolina	5/17/2022	11/17/2022
Maine	7/1/2022	South Dakota	1/1/2023	7/1/2023
Michigan	12/29/2021	Wisconsin	4/15/2022	10/1/2022
Mississippi	7/1/2022			
Montana	4/4/2022			
Nebraska	1/1/2022			
North Dakota	7/1/2022			
Ohio	8/14/2021			
Rhode Island	7/1/2021			
Texas	1/1/2022			
Virginia	3/1/2022			

### **Training**

Product training is available for all Protective’s annuity products. Some states require producers to complete a training course before selling or soliciting clients for annuity products. Protective provides online training courses that will allow producers to complete all product-specific training requirements. Training modules for all annuity products have been made available utilizing the online platform RegEd. Producers can complete state specific training requirements through the approved vendor. Certificates of completion are required to validate that training requirements have been met.

Protective has created a Producer Training Document available on MyProtective.com that details the training requirements, standard training elements, protocol for training updates, and optional training opportunities and resources available to producers regarding suitability and Protective’s suite of annuity products.

### **Consumer-Facing Education Materials**

Protective has published product specific marketing material to be used with consumers at the point of sale. Protective encourages you to use these materials to help educate consumers about how our products work. These marketing materials include information on available riders, endorsements, restrictions, withdrawals, annuitization, expenses, surrender charges, and other important features and risks. The **Point-of-Sale Marketing Material** section on MyProtective.com is a helpful reminder to producers that Protective has made available product specific marketing material to be used with consumers at the point of sale. Product specific marketing material, including Product Guides and Facts at a Glance, are available at <https://finpro.protective.com>.

### **Important Information about Sales Material and Advertising**

Insurance advertising is highly regulated with guidelines that differ from state to state. All sales and marketing materials available on finpro.protective.com have been reviewed by Protective Corporate Compliance. Accordingly, any advertising or sales material must be approved prior to use if the Protective name or branding, or any product, sales aid, or computer systems are referenced. Remember, urging a customer to purchase or modify a policy through prospecting letters, form letters, and internet websites is considered advertising and fall within these guidelines.

### **Contact Us**

Protective 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](mailto:AnnuitySuitabilityReview@Protective.com).

Our purpose is to help more people become Protectors. We stand by your side as you help your customers protect what matters most. Please contact us at 800-866-6410, Option 1, for additional support.