

## Massachusetts Adopted Revised NAIC Suitability in Annuity Transactions (Best Interest)

Massachusetts has adopted the new National Association of Insurance Commissioners (“NAIC”) Best Interest Rule and will start requiring compliance soon. The NAIC made changes to its Model Regulation #275 Suitability in Annuity Transactions (“NAIC Best Interest Rule”), adding a best interest standard of care for the solicitation, recommendation and issuance of annuity contracts. The revised model is aligned more closely with the SEC’s new Regulation Best Interest (“SEC Reg BI”), which applies to sales of variable annuity products.

This bulletin discusses obligations for fixed and index annuity transactions under the NAIC Best Interest Rule. The new Best Interest training will now be required with all annuity transactions in Massachusetts and any states where the new regulation has been adopted. For more information on the obligations under the NAIC Best Interest Rule, please refer to the [Producer Sales Practices Manual](#), Section IV, Standard of Care.

The information contained in this document outlines the changes to the training requirements and application submission process in order to comply with this new rule.

### Training Requirements in Massachusetts as of June 1, 2023

**Best Interest Training:** In accordance with the timelines outlined in the bullets below, financial professionals must take all trainings required under the NAIC Best Interest Rule on or before the application signed date:

- 1) Applicable Corebridge Financial product training, and
- 2) NAIC Best Interest Rule training
  - 1) Financial professionals licensed prior to June 1, 2023 who have already completed the prior Model’s 4-hour general annuity training must complete a **1-hour standalone best interest** training course by the effective date of the NAIC Best Interest Rule. If the training is not completion in time, then a **4-hour best interest/general annuity** training will be required.
  - 2) For financial professionals licensed on and after June 1, 2023, a **4-hour best interest/general annuity** training will be required.

**If training is not completed according to the timelines noted above, a new application** (or a re-signed and re-dated application signed by both the financial professional and applicant) will need to be submitted with a signature date after the training has been completed.

Please follow the agency’s or broker/dealer’s direction on where to take training, but be aware that Corebridge works with the following vendors: **RegEd, Success CE, Quest CE, and Kaplan**. **Currently, all vendors do not have course details available. Please contact the vendor(s) directly to obtain course information and follow the vendor’s instructions to complete only approved courses for Best Interest credit.**

If a financial professional plans on taking training through a vendor not listed above, then please notify Corebridge by emailing [AnnuityCompliance@corebridgefinancial.com](mailto:AnnuityCompliance@corebridgefinancial.com) and/or the financial professional’s agency or broker/dealer to ensure that Corebridge is able to receive information from the vendor regarding training completion.

### Disclosure Requirements in Massachusetts as of June 1, 2023

**Product Disclosures:** Financial professionals are required to inform the client of various features of the annuity and potential consequences of the recommended transaction. Corebridge has several resources

## Massachusetts Adopted Revised NAIC Suitability in Annuity Transactions (Best Interest) (continued)

available to assist in understanding the annuity products and conveying this information to clients. The following documents provide product information:

- Product training and client-approved marketing materials
- Owner Acknowledgment and Disclosure Statements (fixed index and fixed annuities)

**New Insurance Agent Disclosure for Annuities (“Appendix A”) Form:** Financial professionals must disclose the way they are compensated, the types of products licensed to sell, and the insurance companies they are authorized to sell for. Corebridge Financial Annuities will make this form available for financial professionals to use. **This form is required for all sales that require the submission of Corebridge Financial’s Client Profile Form.** If a financial professional would like to a different version of the Insurance Agent Disclosure for Annuities form, then it must be submitted to Corebridge for review and approval prior to use.

The Insurance Agent Disclosure for Annuities form will be added as a requirement with Massachusetts applications, and can be downloaded by logging into [www.corebridgefinancial.com](http://www.corebridgefinancial.com), going to the Forms & Materials page, and searching for form number A1006I.

**Suitability Supervision:** The current Client Profile Form was previously updated to comply with the NAIC Best Interest Rule, no additional changes to the form are needed to comply with this state’s adoption of the Rule. These updates were applied to all states (except New York). The Client Profile Form is designed to collect the additional suitability information required under the NAIC Best Interest Rule, which must include a summary for the basis of the recommendation and provide an enhanced explanation of the basis for a replacement transaction comparing the benefits of the two products.

The Client Profile Form is available on order entry systems and will be linked to the application. It is also available by logging into [www.corebridgefinancial.com](http://www.corebridgefinancial.com), going to the Forms & Materials page, and searching for form number A1005CP (for individually owned accounts) or A1005CPT (for trust owned accounts).

### Transition Rules

Any application signed in Massachusetts must adhere to the training and disclosure requirements above or the application will be considered not in good order. This adherence includes use of the Client Profile Form, the Insurance Agent Disclosure for Annuities form, and completion of required training prior to the signature date.

### Questions? Corebridge is here to help!

If a financial professional needs help obtaining a form or has questions about the Corebridge processes to ensure compliance with the NAIC Best Interest Rule, please contact the Corebridge Sales Desk or the financial professional’s agency or broker/dealer. Corebridge Sales Desk contact information can be found at [www.corebridgefinancial.com](http://www.corebridgefinancial.com) by clicking on the Support link.

Annuities issued by **American General Life Insurance Company** (AGL), Houston, TX, except in New York, where issued by **The United States Life Insurance Company in the City of New York** (US Life).

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