Training Reminder: South Dakota Adopted Revised NAIC Suitability in Annuity Transactions (Best Interest)

South Dakota adopted the new National Association of Insurance Commissioners ("NAIC") Best Interest Rule and required compliance effective January 1, 2023.

This bulletin reviews the training requirement for fixed, index and variable annuity transactions under the NAIC Best Interest Rule. The new Best Interest training will be required with all annuity transactions in South Dakota. 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.

Training Requirements in South Dakota as of January 1, 2023

Best Interest Training: In accordance with the timelines outlined in the bullets below, all trainings are required to be completed under the NAIC Best Interest Rule on or before the application signed date:

1) Applicable Corebridge Financial product-specific training, and
2) NAIC Best Interest Rule training
   - Financial professionals licensed prior to January 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 July 1, 2023.

     NOTE: The 1-hour standalone Best Interest training may only be available for six months since the effective date of the NAIC Best Interest Rule adoption by South Dakota. If the 1-hour training is not available, then a **4-hour General Annuity/Best Interest** training will be required.

     Pursuant to South Dakota Bulletin 22-03, financial professionals who become licensed in 2022 and who took a **4-hour General Annuity/Best Interest** course after October 1, 2022 were required to take a **1-hour standalone Best Interest** training course prior to July 1, 2023.
   - Financial professionals licensed on and after January 1, 2023, a **4-hour General Annuity/Best Interest** 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 directions of your agency or broker-dealer on where to access the trainings. ***Currently, 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.**

Other Requirements in South Dakota as of January 1, 2023 for Fixed and Index Annuities

Product Disclosures: You are required to inform the client of various features of the annuity and potential consequences of the recommended transaction.

Training Reminder: South Dakota Adopted Revised NAIC Suitability in Annuity Transactions (Best Interest) *(continued)*

New Insurance Agent Disclosure for Annuities (“Appendix A”) Form: You must disclose the manner in which you are compensated, the types of products you are licensed to sell, and how many insurance companies you are authorized to sell for. This form is required only with **the submission of Corebridge Financial’s Client Profile Form.**

Suitability Supervision: The Client Profile Form is designed to collect the additional suitability information required under the NAIC Best Interest Rule, must include a summary for the basis of the recommendation, and provide an enhanced explanation of the basis for a replacement transaction that compares the benefits of the two products.

Transition Rules for Other Requirements

Any application signed in South Dakota 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? We're here to help.

If you need help accessing training materials, obtaining a form, or have questions about the Corebridge processes to ensure compliance with the NAIC Best Interest Rule, please contact your Corebridge Sales Desk, your agency, or your broker-dealer. Corebridge contact information can be found at www.corebridgefinancial.com by clicking on the Support link.