

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

Oregon adopted the new National Association of Insurance Commissioners (“NAIC”) Best Interest Rule and will start requiring compliance soon. Several years ago, 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 recommendation of annuity contracts. The revised NAIC model is aligned more closely with the SEC’s Regulation Best Interest (“SEC Reg BI”) that applies to sales of variable annuity products and other securities.

This bulletin outlines the changes to the training requirements and application submission process for fixed and index annuity transactions to comply with Oregon’s version of the NAIC Best Interest Rule (the “Oregon Regulation”). For more information on the obligations under the NAIC Best Interest Rule, please refer to the Standard of Care section in the [Producer Sales Practices Manual](#).

### Training Requirements in Oregon as of January 1, 2024

**Best Interest Training:** Financial professionals must take all training required under the Oregon Regulation in accordance with the timelines indicated in the bullets below:

- 1) Corebridge Financial product-specific training prior to the first sale of the applicable annuity product, and
- 2) Oregon Regulation training
  - Financial professionals licensed prior to January 1, 2024, who have completed the prior Model’s 4-hour general annuity training can either complete the **1-hour standalone best interest training** course by June 30, 2024 or the **4-hour best interest/general annuity training**. If the 1-hour training completion is not completed in time, then the 4-hour training will be required.
  - Financial professionals who obtain a life insurance license on or after January 1, 2024, shall not engage in any annuity sales until they complete the state approved **4-hour best interest/general annuity** training course.

**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 trainings have been completed.

Financial professionals need to follow their agency’s or broker-dealer’s direction on where to take training, such as using Kaplan, Quest Ce, RegEd, or Success CE. **Currently, vendors do not provide course details. Financial professionals should contact the vendor 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 approved by their agency or broker-dealer, then the financial professional will need to notify Corebridge by emailing [AnnuityCompliance@corebridgefinancial.com](mailto:AnnuityCompliance@corebridgefinancial.com) and/or their agency or broker-dealer to ensure that Corebridge is able to receive information from the vendor regarding training completion.

### Disclosure Requirements in Oregon as of January 1, 2024

**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 available to assist in understanding the annuity products and conveying this information to clients.

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

The following documents provide product information:

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

**New Insurance Agent Disclosure for Annuities (“Appendix A”) Form:** Financial professionals must disclose the way they are compensated, the types of products they are licensed to sell, and the insurance companies for whom they are authorized to sell. Corebridge 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 use 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 Oregon applications and can be downloaded by logging into [www.corebridgefinancial.com](http://www.corebridgefinancial.com) and going to the Forms & Materials page.

**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 Oregon 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!

Financial professionals that have questions can contact the Corebridge Sales Desk at [www.corebridgefinancial.com/support](http://www.corebridgefinancial.com/support) or their agency or broker/dealer.

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). The Elite line of annuities is issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX in all states, except New York. Variable annuities are distributed by Corebridge Capital Services, Inc. (CCS), member FINRA.

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