



NAIC Model Suitability Act for Annuity Business

What You Need to Know to Avoid Returned Applications

What is the NAIC Model Suitability Act?

The NAIC Model Act is gaining wide adoption and is changing the way all annuities are designed and distributed. When adopted in its model form, the Act places new obligations on the insurance company issuing the contract to implement new procedures surrounding annuity sales and replacements. It requires producers to be trained on each Carrier's specific product line, including specific features and benefits of each product, as well as an additional, state required, 4 hour CE course.

Which States Have Approved the NAIC Model Act?

As of 5/1/2012, the following states have adopted the NAIC model regulation and require the 4-hour Annuity Suitability Course .

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|--------------------------|-------------------|
| 13. Alaska | 1. Nebraska |
| 14. California | 2. North Dakota |
| 15. Colorado | 3. New York |
| 16. Connecticut | 4. Ohio |
| 17. District of Columbia | 5. Oklahoma |
| 18. Hawaii | 6. Oregon |
| 19. Iowa | 7. Rhode Island |
| 20. Illinois | 8. South Carolina |
| 21. Indiana | 9. Texas |
| 22. Kentucky | 10. Washington |
| 23. Maryland | 11. Wisconsin |
| | 12. West Virginia |

What Are the Training Requirements for Producers?

In states that have adopted the Model Regulation, the two training requirements detailed below must be completed **BEFORE** any application is taken:

- ./ **A 4-hour general training course** on Annuity Suitability by a state-approved vendor
- ./ **Product-specific training course(s)** for the applicable Carrier and product(s)

As of today, if you write business in any of the states which have approved the NAIC Model Regulation (shown above), you must complete both training requirements before soliciting any business. Applications dated or received prior to completing both training requirements will be returned by the carrier or cause additional requirements to be needed. There are no exceptions to this rule.

Please Call 800-695-8224 Ext-129

Contact Rich Altier RAltier@AdvisorsIB.com

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