

ANNUITY NEWS

FEBRUARY 16, 2023

Suitability Regulations – Update

This bulletin highlights the states that have enacted the revised Suitability Regulation based on the NAIC Suitability in Annuity Transactions Model Regulation that includes a "best interest requirement" for agents making annuity recommendations.

Reliance Standard would like to inform agents of the main points of the suitability regulation, which in addition to acting in the client's best interest also require agents to:

1) comply with a Continuing Education requirement, and

2) provide a Disclosure to the consumer prior to recommending an annuity on or after the effective date of the new suitability regulation

Continuing Education Requirement

Under the new regulation, previously licensed agents who have already taken the four (4) hour state suitability course before the regulation effective date must take either a one-hour state mandated Continuing Education course on appropriate sales practices, replacement, and disclosure requirements of the regulation by the CE Effective Date. Alternatively, agents may take the revised four (4) hour state Continuing Education annuity suitability course after the effective date of the regulation in their state that includes material regarding appropriate sales practices, replacement, and disclosure requirements. The new four (4) hour course or must be taken on or before the CE Effective date.

Newly licensed agents must take the revised four (4) hour course after the regulation effective date before Reliance Standard will process their appointment application.

Reliance Standard will receive notification of CE completions completed through RegEd directly from RegEd. Any agents that take the course with a CE provider other than RegEd, must send proof of CE before the CE effective date or with new appointment paperwork. Agents who are already appointed by Reliance Standard can be sent via email to: agentappointments@rsli.com or by FAX, 267-765-5952.

RELIANCE STANDARD
A MEMBER OF THE TOKIO MARINE GROUP

Disclosure Requirement

A Disclosure Statement should be provided to each consumer and should be completed by and retained by the agent making the recommendation. The Disclosure Statement should be in a form described by and retained for the time required by the regulation enacted by the state where a recommendation to purchase an annuity was made.

Please refer to following link for the NAIC model regulation and please review the regulation for the state(s) where you are making recommendations for any variations from the Model Law:

- NAIC Model Regulation https://content.naic.org/sites/default/files/inline-files/MDL-275.pdf?68.

Reliance Standard will not accept new business annuity applications from producers who have not completed the required Continuing Education training or from agents who have not provided the required Disclosure Statement to consumers.

Reliance Standard is not requiring the Disclosure Statement to be submitted with the application; it is the soliciting agent's responsibility to provide the Disclosure Statement to the consumer when recommending Reliance Standard annuity products. We have added an attestation on our suitability form indicating that agents/agencies have complied with the disclosure requirement.

As a reminder to all agents and agencies, your Agreement with Reliance Standard includes a provision requiring you to: "comply with all laws, regulations and licensing requirements in the jurisdictions in which the agent shall solicit business, and failure to do so shall be grounds for immediate termination of this Agreement."

Should you have any questions regarding the compliance requirements, please contact the sales desk.

The table below provides the Regulation Effective Date – The date the regulation is effective and the date when the disclosure document must be provided to a consumer to which a recommendation is made to comply with the regulation. Several additional states will take effect in 2023 and it is likely additional states will enact the regulations in the future as the revised regulation is pending in several other states.

The CE Date is the date which Reliance Standard will require agents to complete either one-hour CE course or the revised four-hour course that includes Best Interest materials as required by the regulation.

State	Regulation Effective Date	Disclosure Requirement Date	CE Date
Alaska	1/15/23	1/15/23	**7/15/23**
Alabama	1/1/22	1/1/22	6/30/22

Arizona	12/31/20	12/31/20	6/30/21
Arkansas	7/8/21	7/8/21	1/1/22
Colorado	11/1/22	11/1/22	**4/30/23**
Connecticut	3/1/22	3/1/22	9/1/22
Delaware	8/1/21	8/1/21	1/31/22
Hawaii	1/1/23	1/1/23	**7/1/23**
Idaho	7/1/21	7/1/21	2/1/22
Iowa	1/1/21	1/1/21	7/1/21
Kentucky	1/1/22	1/1/22	7/1/22
Maine	1/1/22	1/1/22	7/1/22
Maryland	10/8/22	10/8/22	**4/8/23**
Michigan	6/29/21	6/29/21	12/29/21
Minnesota	1/1/23	1/1/23	**6/30/23**
Mississippi	1/1/22	1/1/22	7/1/22
Montana	10/1/21	10/1/21	4/1/22
Nebraska	7/1/21	7/1/21	12/31/21
New Mexico	10/1/22	10/1/22	**4/1/23**
North Carolina	1/1/23	1/1/23	**7/1/23**
North Dakota	1/1/22	1/1/22	7/1/22
Ohio	2/14/21	2/14/21	8/14/21
Pennsylvania	6/20/22	6/20/22	12/20/22
Rhode Island	4/1/21	4/1/21	10/1/21
South Carolina	11/27/22	11/27/22	**5/27/23**
South Dakota	1/1/23	10/1/22	**7/1/23**
Texas	9/1/21*	1/1/22	1/1/22

Virginia	9/1/21	9/1/21	3/1/22
Wisconsin	10/1/22	10/1/22	**4/1/23**

Should you have any questions regarding this bulletin as it applies to Reliance Standard's implementation of the new suitability regulations, please contact the Annuity Sales Desk – annuity.marketing@rsli.com or 800-435-7775 ext. 3696

*Texas disclosure required 11/7/21

Reliance Standard Life Insurance Company
1700 Market Street, Suite 1200
Philadelphia, PA 19103
(800) 435-7775 ext 3696 (Sales Desk)

RELIANCE STANDARD
A MEMBER OF THE TOKIO MARINE GROUP