

Product & Service Notice



Date: May 19, 2022
To: Ameritas Field Associates
RE: NAIC Best Interest now approved in Maryland and Wisconsin

Form Number: PS 4281 - UPDATED
Discard After: Keep indefinitely
Product Area: Annuity

Summary: In early 2020, the National Association of Insurance Commissioners (NAIC) approved a “best interest” model regulation for annuity sales. This regulation modified the existing annuity suitability regulation. The strong indication is that this model regulation will enjoy wide adoption across the various states.

In recent weeks, the model regulation has been approved in the following states with the corresponding effective date:

State	Effective Date	Must Complete Updated Course by:
Wisconsin	October 1, 2022	April 1, 2023
Maryland	October 8, 2022	April 8, 2023

The model regulation was previously approved in the following states with the corresponding effective date:

State	Effective Date	Must Complete Updated Course by:
Arizona	January 1, 2021	July 1, 2021
Iowa	January 1, 2021	July 1, 2021
Rhode Island	April 1, 2021	October 1, 2021
Michigan	June 29, 2021	December 29, 2021
Idaho	July 1, 2021	February 1, 2022
Arkansas	July 8, 2021	January 1, 2022
Delaware	August 1, 2021	February 1, 2022
Ohio	August 14, 2021	February 14, 2022
Texas	September 1, 2021	January 1, 2022
Virginia	September 1, 2021	March 1, 2022
Montana	October 1, 2021	April 1, 2022
Alabama	January 1, 2022	July 1, 2022
Maine	January 1, 2022	July 1, 2022
Nebraska	January 1, 2022	January 1, 2022
North Dakota	January 1, 2022	July 1, 2022
Kentucky	February 15, 2022	July 1, 2022
Connecticut	March 1, 2022	September 1, 2022
Pennsylvania	June 20, 2022	December 20, 2022
Mississippi*	July 1, 2022	January 1, 2023
New Mexico	October 1, 2022	April 1, 2023
South Dakota	January 1, 2023	July 1, 2023

*The true effective date for Mississippi is January 1, 2022, but applies to acts or practices that occur starting July 1, 2022.

Numerous other states are actively moving towards adoption.

The amendments now establish a “best interest” standard. There are four subparts to this best interest standard: Care, Disclosure, Conflicts of Interest and Documentation. Care includes knowing the customer’s situation, evaluating all products the producer is licensed to sell, having a reasonable basis for the recommendation and communicating the basis of the recommendation to the consumer. The Disclosure

obligation involves the completion of a specific form that is included in Appendix A of the Model. This disclosure does include a description of compensation, but doesn't require the amount to be provided unless the customer asks. The Conflict of Interest obligation involves either avoiding or managing and disclosing conflicts. And, the Documentation obligation requires the producer to maintain a written record of the basis for any recommendation.

Moving forward, annuity applications in the states where the "best interest" model regulation is adopted will be required to include the "Insurance Agent (Producer) Disclosure for Annuities" (form UN 5403). Form UN 5403 is available in eApply and on Producer Workbench and must be signed by both the producer and the client at the time of application.

Additionally, there is an enhanced training obligation that must be met by producers within 6 months of the effective date of the model having been adopted by the issue state. To meet the requirement, go to RegEd and complete the updated annuity trainings listed below. **Only training done via RegEd will be accepted. No other training will be accepted. Please log into RegEd.com today to complete.**

<https://secure.reged.com/TrainingPlatform/>

Course 491 – Recommending Annuities Under the New NAIC Best Interest Standard

1 hour, updated course

- The target audience for this course is producers who have completed Course 390 before the effective date in their respective state, and are only subject to a 1-hour training requirement.
- Completion of this course will satisfy the 1-hour training requirement for Iowa and Arizona.

Course 490 – Recommending Annuities Under the NAIC Best Interest Standard

4 hours, updated course

- The target audience for this course is producers who are licensed in an approved state on or after the effective date in their respective state.
- Completion of this course before January 1, 2021 will not satisfy the training requirement for Iowa and Arizona.

For general questions contact Sales Development at 800-319-6903.

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