

From: Sagicor Life Insurance Company <sagicor@sagicorlifeusa.com>
Sent: Friday, December 10, 2021 10:31 AM
To: Resource Support
Subject: Industry Alert: New NAIC rules effective 12-21-2021



New Nebraska, Alabama and North Dakota Suitability Requirements

On February 13, 2020, the National Association of Insurance Commissioners (NAIC) approved an update to the Suitability in Annuity Transactions Model Regulation. The updated regulation adds a requirement for producers to **"act in the best interest of the consumer when making a recommendation of an annuity"**, as well as other associated requirements. **Subsequently, Nebraska, Alabama and North Dakota have adopted the new rule, and Sagicor will be implementing the new requirements in those three states effective December 21, 2021.**

Sagicor has implemented the following to comply with the new requirements for producers selling annuities in Nebraska, Alabama and North Dakota. Note that all the identified forms:

1. May be downloaded and printed from [Sagicor's Producer Portal](#).
2. Will automatically be included in all annuity eApplication packets.

As a reminder, please always print required paper forms from the Producer Portal, as forms may be updated from time to time. Properly completed forms must be submitted with every Alabama, Nebraska and North Dakota annuity application on or after December 21, 2021. NO EXCEPTION WILL BE GRANTED.

Suitability Best Interest Form: Sagicor's current Annuity Suitability Best Interest Form has been revised to include information to assist in documenting best interest. The new Annuity Suitability Best Interest Form includes additional questions relating to the consumer's disposable income and a breakdown of their current debt obligations.

Producer Disclosure Form: The revised model regulation requires the producer, at the outset of their relationship with a consumer, to inform the consumer in writing of:

- The scope and terms of the producer's and consumer's relationship.
- The types of products the producer is authorized to sell.
- A description of the sources and types of cash and non-cash compensation the producer will receive.

This disclosure must be signed by both the consumer and the producer. To assist producers in complying with this requirement, Sagicor has developed a disclosure form, and a properly completed and executed form is required to be submitted with each annuity application.

TRAINING

Alabama:

- Each producer who holds a life insurance license as of **January 1, 2022**, and has previously completed a state approved 4-hour annuity suitability training course shall complete an additional 1-hour state-approved best interest course by no later than **June 30, 2022**.
- Producers who obtain a life insurance license on or after **January 1, 2022**, must complete a new 4-hour state approved annuity suitability course before they can submit annuity applications to Sagicor.
- The 4-hour credit course and the 1-hour credit course will not be offered by Sagicor, but instead must be taken from a department of insurance-approved education provider. Once a course has been completed, please provide Sagicor with the certificate of completion or other evidence of completion.

Nebraska:

- Each producer who holds a life insurance license as of **January 1, 2022**, and has previously completed an approved 4-hour annuity suitability training course shall complete an additional 1-hour state-approved best interest course before they can submit new annuity applications to Sagicor.
- Producers who obtain a life insurance license on or after **January 1, 2022**, must complete a new 4-hour state approved annuity suitability course before they can submit annuity applications to Sagicor.
- The 4-hour credit course and the 1-hour credit course will not be offered by Sagicor, but instead must be taken from a department of insurance-approved education provider. Once a course has been completed, please provide Sagicor with the certificate of completion or other evidence of completion.

North Dakota:

- Each producer who holds a life insurance license as of **January 1, 2022**, and has previously completed a state approved 4-hour annuity suitability training course shall complete an additional 1-hour state-approved best interest course by no later than **June 30, 2022**.
- Producers who obtain a life insurance license on or after **January 1, 2022**, must complete a new 4-hour state approved annuity suitability course before they can submit annuity applications to Sagicor.
- The 4-hour credit course and the 1-hour credit course will not be offered by Sagicor, but instead must be taken from a department of insurance-approved education provider. Once a course has been completed, please provide Sagicor with the certificate of completion or other evidence of completion.

REMINDER: NEW SUITABILITY REPLACEMENT COMPARISON FORM (ALL STATES EXCEPT ARKANSAS, FLORIDA AND NEVADA)

To better assist Sagicor in complying with best interest standards and other state suitability and replacement regulations, Sagicor has implemented a new Replacement Comparison Form.

- This form is required for all annuity replacements.
- Arkansas, Florida, and Nevada each has their own state specific comparison form.
- To help expedite suitability review, this new form will request producers to submit a copy of the most recent annuity statement from the existing carrier.
- If the replacement includes the purchase of a Sagicor SPIA, an in-force annuitization quote from the existing carrier will be required.
- Statements and in-force quotes may be submitted via the Producer portal <https://agent.sagicorlifeusa.com/wps/portal>, emailed to suitability@sagicor.com or via fax to 480-425-5130.

As always, Sagicor is committed to making the transition to the new form(s) and other regulatory requirements as convenient as possible. For more information, please call the Producer Resource Center at **888-724-4267, ext. 4680**, or email PRC@SagicorLifeUSA.com.

Annuity Suitability Regulation Training Course Requirements

Insurance and annuities issued by Sagicor Life Insurance Company and not available in all states. Home Office: Scottsdale, AZ.

Sagicor is rated "A-" (Excellent) by A.M. Best Company (4th best out of 16 possible ratings), affirmed as of November 4, 2021. Rating based on the claims-paying ability of issuing insurer.

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