

AGENT ADVISORY

Advisory #: ADV-1135

Publication Date: August 16, 2021

Effective Date: September 1, 2021

TO: Symetra Annuity Appointed Producers in Montana, Texas, and Virginia

RE: Updated NAIC Suitability in Annuity Transactions Model Regulation

In February 2020, the National Association of Insurance Commissioners (“NAIC”) revised its *Suitability in Annuity Transactions Model Regulation* (the “Model”), which requires an insurance producer to act in the best interest of the consumer when making recommendations regarding annuity products. Producers must also fulfill care, disclosure, conflict of interest, documentation and producer training obligations.

In addition, any sales contests, sales quotas, bonuses, and non-cash compensation that are based on the sales of specific annuities within a limited period of time are prohibited.

Montana, Texas, and Virginia recently adopted the NAIC’s revised standards. Therefore, all Symetra annuity transactions in these states will be subject to the new requirements as of **September 1, 2021**. For your reference, the text of each rule can be found via the below-referenced websites.

State	Regulatory Reference
Montana	https://leg.mt.gov/bills/2021/sesslaws/ch0432.pdf
Texas	https://capitol.texas.gov/tlodocs/87R/billtext/pdf/HB01777F.pdf#navpanes=0
Virginia	https://scc.virginia.gov/docketsearch/DOCS/52d501!.PDF

Overview of Requirements

The updated Model includes a number of requirements, including but not limited to the following:

- You must act in the best interest of your client and only consider his/her interests when recommending a transaction. To assist you in this evaluation, **updated Consumer Profile forms must be used as of September 1, 2021**.¹ Please note that applications signed on or after September 1, 2021 will only be considered to be “in good order” if they are submitted on the updated Consumer Profile form referenced above. As this is a regulatory requirement, prior versions of the suitability form will not be accepted beginning September 1, 2021. The updated forms will be added to sales kits and available on Symetra.com.

¹ If your firm is approved to conduct third party suitability reviews, please contact your back office for information related to your firm’s updated suitability procedures.

- You must have a reasonable basis to believe that the recommended transaction addresses your client's financial situation, insurance needs, and financial objectives over the life of the product and **you must communicate the basis for the recommendation to your client.** (Note: In Montana, the basis for the recommendation must be provided to the client in writing.)
- Prior to recommending the purchase or sale of an annuity, you must disclose to the consumer information such as, but not limited to: the types of products that you are licensed to sell and how you are compensated. **Please see *Appendix A – Insurance Agent (Producer) Disclosure for Annuities of the Model.***
- You must identify, avoid, and disclose material conflicts of interest.
- You must create written records for all recommendations and document the basis for each recommendation.
- You must complete updated suitability training, which will be available through Kaplan, RegEd, and other CE providers. If your Symetra product training is not current, you will also need to take updated product training (available via Symetra's website) that includes the additional suitability elements required by the revised Model.
 - Please note that deadlines for completing updated suitability training differ by state, so please refer to the above-referenced regulations for individual state requirements.

The above summary is not intended to cover every aspect of the revised Model. Please take the time to review and familiarize yourself with each state's revised standards via the website links above and with the updated Model at <https://content.naic.org/sites/default/files/inline-files/MDL-275.pdf>. If you have questions, please contact your firm's Relationship Manager or our Retirement Sales Desk at 1-800-706-0700.

Sincerely,

Compliance
Symetra Life Insurance Company