



## NAIC Best Interest Model Regulation for Annuity Recommendations and Sales – See effective dates below.

The National Association of Insurance Commissioners (NAIC) amended Model Rule 275 for Annuity Recommendations and Sales to address consumer best interest. This model rule was adopted in Arizona and Iowa, **01/01/2021**. **Rhode Island has an effective date of 04/01/2021**. Please note that the following states have also adopted the model rule with future effective dates:

- 6/29/2021 – Michigan
- 6/29/2021 – Arkansas
- 8/1/2021 – Delaware
- 8/14/2021 – Ohio

Further communications will be forthcoming as additional states adopt the rule.

The NAIC Best Interest Model Rule requires that a producer, when recommending an annuity, act in the best interest of the customer without placing the producer's or the insurer's financial interest ahead of the consumer's interest. A producer has acted in the consumer's best interest if the care, disclosure, conflict of interest and documentation obligations of the Rule are satisfied. The producer must obtain the Consumer Profile Information prior to the recommendation.

As part of a best interest recommendation, a producer must weigh multiple factors that are relevant to the best interests of the consumer. They include:

- Know the customer's financial situation
- Understand the available recommendation options
- Have a reasonable basis to believe the recommended option addresses the consumer's financial situation, and
- Communicate the basis or bases of the recommendation

### New Training Requirements

A producer who engages in the sale of annuities must complete a one-time four credit training course approved by the DOI and provided by a DOI-approved training provider. Producers who previously completed an approved annuity training course prior to the effective date must complete either a new four credit training course approved by the DOI after the effective date of the Rule, or an additional one credit course on appropriate sales practices, and replacement and disclosure requirements under the Rule. Training completion deadlines, as set by the Regulators of each state, are as follows:



State	New Producer Training Completion Date	Existing Producer Training Completion Date
Arizona	Before making recommendations	6/30/2021
Iowa	Before making recommendations	6/30/2021
Rhode Island	Before making recommendations	9/30/2021
Ohio	8/14/2021	8/14/2021
Delaware	Before making recommendations	1/31/2022
Arkansas	Before making recommendations	TBD
Michigan	Before making recommendations	TBD

### Kaplan Training

Training can be satisfied through the following Kaplan course available free through the [Kaplan Portal](#). Enter portal code “**WSFG**”. Note: State-accredited training from other approved providers is accepted. Please provide certification of completion.

### Kaplan Course Availability:

- Currently available in Arizona, Iowa and Rhode Island
- Delaware: 3/8/21
- Michigan, Arkansas and Ohio: TBD

The NAIC Best Interest Model Rule also mandates various new documentation and disclosure requirements. Most information that is now explicitly required by the regulation is included in our application paperwork and eApp platforms. Here’s an overview of what you need to know.

**Please check with your firm for any (additional) requirements.**

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## What to Expect:

### New Materials

1. A new **Financial Representative Best Interest Certification** form – required at point of sale with every application:
  - [Western-Southern Life](#)
  - [Integrity Life](#)
2. A new **Consumer Profile Information Questionnaire** – replaces previous suitability form and is required at point of sale with every application (depending on your firm’s specific requirements)
  - [Consumer Profile Information Questionnaire](#)
  - [Consumer Profile Information Questionnaire](#) – NY Only
3. A revised **Replacement Addendum** form – required at point of sale with every replacement application (depending on your firm’s specific requirements)
  - [Consumer Profile Information Replacement Addendum](#)

- [New York Suitability Replacement Addendum](#) – NY Only
- 4. [Appendix A](#) – a new required disclosure that producers must make available to consumers at the time of the annuity recommendation **(must be submitted with any application in which the issuers below performs the suitability review upon each effective date)**

We hope the information in this notice helps you better understand the regulation and in making a smooth transition to these new requirements.



Your business is important to us.  
Please contact the Sales Desk with questions or concerns.

**800.804.4465**

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