



# NAIC Model – Annuity Best Interest Producer Guide Disclosure and Documentation

Per Amended NAIC Model Regulation 275 (“Annuity Best Interest Rule”), as a producer Lafayette Life Insurance Company (“Lafayette Life”), certain documentation is required to be retained and made available upon request by Lafayette Life or the applicable state’s Department of Insurance, related to all recommendations made to a client regarding annuities.

Lafayette Life has developed this Producer Guide with the intention of assisting a producer in identifying, documenting, and maintaining all relevant factors and disclosures necessary to make a best interest recommendation. All disclosure, both written and verbal, provided to a client at the time of a recommendation should be appropriately documented and preserved in the client file. **This form is for your records only, and is not to be submitted with required Lafayette Life application paperwork.**

**This is not a complete checklist for compliance with the Annuity Best Interest Rule, but rather is meant to assist with certain elements of the documentation and disclosure obligations of the Annuity Best Interest Rule.**

Date: \_\_\_\_\_

**Owners Name (First, Middle, Last)**

**Joint Owner’s Name (if applicable)**

**For all recommendations to purchase or replace an annuity contract, producers should complete, document, and retain any:**

- Signed Annuity Application\*
- Signed Consumer Profile Information Questionnaire\* (if your firm has not contracted for delegation of this function)
- Signed Consumer Profile Information Replacement Addendum\* in the case of an exchange or replacement (if your firm has not contracted for delegation of this function)
- Signed Financial Representative Best Interest Certification\*
- Signed Producer Relationship Disclosure Form, also referred to as “Appendix A” (if your firm has not contracted for delegation of this function)
- Product comparisons
- Illustrations
- Description of the basis for the recommendation
- Product advantages/disadvantages and non-guaranteed elements
- How compensation is paid for the sale and servicing of the product
- Any impact of replacing an existing product
- Personal notes or documentation of verbal disclosures made

\*Indicates a required Lafayette Life form that must be submitted with the annuity application.

**For each transaction you should *provide the client with*:**

- All applicable disclosures, including the Producer Relationship Disclosure Form (also referred to as “Appendix A”)
- Product prospectus(es), flyers, brochures, or other relevant sales and marketing material, as applicable
- Disclosure of product limitations (if applicable)

**Additional Consideration:**

- Prior to recommending an annuity transaction, you must complete an Annuity Suitability/Best Interest training course, as well as any required product training. You will need to maintain certifications of completion.

**Utilize the following to assist in documenting all necessary information:**

1. I have exercised reasonable diligence, care and skill to know the consumer’s financial situation, insurance needs and financial objectives because:

2. I have exercised reasonable diligence, care and skill to understand the recommendation options available to me after making a reasonable inquiry into options available by:

3. I have exercised reasonable diligence, care and have a reasonable basis to believe the recommended option effectively addresses the consumer’s financial situation, insurance needs and financial objectives over the life of the product, as evaluated in light of the consumer profile information by:

4. I have a reasonable basis to believe the consumer will benefit from the following features of this annuity (e.g. annuitization, death or living benefit, or other insurance-related features):

5. I prominently disclosed to the consumer a description of the scope and terms of my relationship with them and my role as the producer, a description of what products I am licensed and authorized to recommend and sell, and the compensation I will be paid as follows:

6. I informed the consumer of the following features of this annuity (e.g. surrender charge period, potential tax penalties, annual fees, potential changes in non-guaranteed elements, market risk, etc.):

7. I made a written record of my recommendation and the basis for the recommendation which was communicated to the consumer. The following is the basis for my recommendation:

\*\*The information included in these sections should be confirmed back to the client in writing (e.g., letter, email) and documentation evidencing that confirmation should also be included in the client file.