

# Compliance Bulletin

**No. 05-23     Date: August 16, 2023**

To: All Agents

From: Gina Byrne Miller, Compliance Officer

Subject: Suitability in Annuity Transactions (Best Interest) – All States

Compliance Bulletin 03-20 informed you of new requirements regarding the revised Suitability in Annuity Transactions model regulation. The purpose of this Compliance Bulletin is to provide a status of all states that have adopted the National Association of Insurance Commissioners (NAIC) Suitability in Annuity Transactions model regulation best interest standard.

## NAIC Annuity Best Interest Standard State Adoption Chart

State	Effective Date
Alabama	1/1/2022
Alaska	11/23/2022
Arizona	12/31/2020
Arkansas	6/29/2021
Colorado	11/1/2022
Connecticut	3/1/2022
Delaware	8/1/2021
Florida*	1/1/2024
Georgia	8/1/2023
Hawaii	1/1/2023
Idaho	7/1/2021
Illinois	8/1/2023
Iowa	1/1/2021
Kansas*	1/1/2024
Kentucky	1/4/2022
Maine	1/1/2022
Maryland	10/8/2022
Massachusetts	12/9/2022
Michigan	6/29/2021
Minnesota	1/1/2023

State	Effective Date
Mississippi	7/1/2022
Montana	10/1/2021
Nebraska	1/1/2022
New Mexico	10/1/2022
North Carolina	1/1/2023
North Dakota	1/1/2022
Ohio	8/14/2021
Oklahoma	9/1/2023
Oregon*	1/1/2024
Pennsylvania	6/20/2022
Rhode Island	4/1/2021
South Carolina	11/27/2022
South Dakota	1/1/2023
Tennessee*	1/1/2024
Texas	9/1/2021
Virginia	9/1/2021
Washington*	1/1/2024
West Virginia	6/8/2023
Wisconsin	10/1/2022
Wyoming	7/5/2023

\*State specific bulletins are posted approximately 30-60 days prior to the effective date.

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Consult state specific compliance bulletins for important details and a copy of the state's regulation. Bulletins can be found on MY NWL under Marketing/Communications/Compliance Bulletins. The information provided in this bulletin is current as of 08/01/2023.

### **NAIC Annuity Best Interest Standard Reminders**

As of the state effective date, a new form entitled Insurance Producer Disclosure for Annuities (DM-1510, which is included with this bulletin), must be completed, signed by you and the applicant(s), and submitted with the application. Additionally, a written summary of any oral disclosures provided to the applicant(s) must be submitted with the application.

In addition to the disclosures provided on DM-1510 mentioned above, upon request of the consumer or the consumer's designated representative, you must disclose:

- (i) A reasonable estimate of the amount of cash compensation to be received by you, which may be stated as a range of amounts or percentages; and
- (ii) Whether the cash compensation is a one-time or multiple occurrence amount, and if a multiple occurrence amount, the frequency and amount of the occurrence, which may be stated as a range of amounts or percentages.

National Western Life Insurance Company will not accept an application for an annuity if the applicant has not completed Suitability Questionnaire DM-1174 (Florida only: DM1340-FL) or if the product applied for is not based on your recommendation. In addition, if the state has adopted the best interest standard, form DM-1510 must accompany each application.

Annuity Suitability & Best Interest Training requirements, by state, are outlined on form SAT-1299, which is included with this bulletin. Please review these important dates, prior to taking an annuity application.



GBM/ca



**CONSUMER INFORMATION**

Full Name (First, Middle, Last) \_\_\_\_\_

**PRODUCER INFORMATION**

Full Name (First, Middle, Last) \_\_\_\_\_ National Producer Number: \_\_\_\_\_

Business/Agency Name: \_\_\_\_\_ Website: \_\_\_\_\_

Business Mailing Address: \_\_\_\_\_

Business Telephone: \_\_\_\_\_ Email Address: \_\_\_\_\_

**Types of products I can sell**

I am licensed to sell annuities to you in accordance with state law. If I recommend that you buy an annuity, it means I believe that it effectively meets your financial situation, insurance needs, and financial objectives. Other financial products, such as life insurance or stocks, bonds and mutual funds, also may meet your needs.

**I offer the following products:**

- Fixed or Fixed Indexed Annuities
- Variable Annuities
- Life Insurance

**I need a separate license to provide advice about or to sell non-insurance financial products. I have checked below any non-insurance financial products that I am licensed and authorized to provide advice about or to sell.**

- Mutual Funds
- Stocks/Bonds
- Certificate of Deposits

**Annuities I am authorized to sell:**

- Annuities from only one (1) Insurer
- Annuities from two or more insurers
- Annuities from two or more insurers although I primarily sell annuities from: \_\_\_\_\_

**How I'm paid for my work:**

It's important for you to understand how I'm paid for my work. Depending on the particular annuity you purchase, I may be paid a commission or a fee. Commissions are generally paid to me by the insurance company while fees are generally paid to me by the consumer. If you have questions about how I'm paid, please ask me.

**Depending on the particular annuity you buy, I will or may be paid cash compensation as follows:**

Commission, which is usually paid by the insurance company or other sources.

If other sources, describe: \_\_\_\_\_

Fees (such as a fixed amount, an hourly rate, or a percentage of your payment), which are usually paid directly by the consumer.

Other, describe: \_\_\_\_\_

**If you have questions about the above compensation I will be paid for this transaction, please ask me.**

I may also receive other indirect compensation resulting from this transaction (sometimes called "non-cash" compensation), such as health or retirement benefits, office rent and support, or other incentives from the insurance company or other sources.

By signing below, you acknowledge that you have read and understand the information provided to you in this document.

\_\_\_\_\_  
Consumer/Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Consumer/Joint Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Producer Signature

\_\_\_\_\_  
Date

Application State	Annuity Suitability 2010 Suitability in Annuity Transactions		Annuity Best Interest 2020 Suitability in Annuity Transactions	
	Newly State Licensed Effective Date	Reciprocal	Newly State Licensed Effective Date	Currently State Licensed End of Grace Period
Alabama	1/1/2017	Yes	1/1/2022	6/30/2022
Alaska	10/16/2011	Yes	11/23/2022	5/23/2023
Arizona	12/31/2017	Yes	12/31/2020	6/30/2021
Arkansas	7/15/2010	Yes	6/29/2021	1/1/2022
California <sup>(1)</sup>	1/1/2012	No		
Colorado	4/1/2011	Yes	11/1/2022	5/1/2023
Connecticut	2/18/2012	Yes	3/1/2022	8/31/2022
Delaware	6/1/2017	Yes	8/1/2021	2/1/2022
District of Columbia	6/24/2011	Yes		
Florida	10/1/2013	Yes	1/1/2024	7/1/2024
Georgia	3/1/2016	Yes	8/1/2023	2/1/2024
Guam	No Requirement	TBD		
Hawaii	1/1/2012	Yes	1/1/2023	7/1/2023
Idaho	4/4/2013	Yes	7/1/2021	1/1/2022
Illinois	9/26/2011	Yes	8/1/2023	2/1/2024
Indiana	1/1/2012	Yes		
Iowa <sup>(2)</sup>	1/1/2011	Yes	1/1/2021	7/1/2021
Kansas	6/1/2013	Yes	1/1/2024	7/1/2024
Kentucky	1/1/2012	Yes	1/4/2022	7/4/2022
Louisiana	8/1/2012	Yes		
Maine	11/1/2015	Yes	1/1/2022	7/1/2022
Maryland	11/1/2011	Yes	10/8/2022	4/8/2023
Massachusetts	10/1/2016	Yes	12/9/2022	6/9/2023
Michigan	6/1/2013	Yes	6/29/2021	12/29/2021
Minnesota	6/1/2013	Yes	1/1/2023	7/1/2023
Mississippi	4/10/2013	Yes	7/1/2022	1/1/2023
Missouri	3/30/2017	Yes		
Montana	1/1/2018	Yes	10/1/2021	4/1/2022
Nebraska	1/1/2013	Yes	1/1/2022	7/1/2022
Nevada	No Requirement	TBD		
New Hampshire	1/1/2015	Yes		
New Jersey	6/6/2011	Yes		
New Mexico	No Requirement	Yes	10/1/2022	4/1/2023
North Carolina	No Requirement	TBD	1/1/2023	7/1/2023
North Dakota	8/1/2011	Yes	1/1/2022	7/1/2022
Ohio	7/1/2011	Yes	8/14/2021	2/14/2022
Oklahoma	7/14/2010	Yes	9/1/2023	3/1/2024
Oregon	7/1/2011	Yes	1/1/2024	6/1/2024
Pennsylvania	12/26/2018	Yes	6/20/2022	12/20/2022
Puerto Rico	No Requirement	TBD		
Rhode Island	6/1/2011	Yes	4/1/2021	10/1/2021
South Carolina	9/25/2011	Yes	11/27/2022	5/27/2023
South Dakota	7/1/2012	Yes	1/1/2023	7/1/2023
Tennessee	11/1/2015	Yes	1/1/2024	7/1/2024
Texas <sup>(3)</sup>	9/1/2011	Yes	9/1/2021	1/1/2022
Utah	3/26/2012	TBD		
Vermont	No Requirement	TBD		
Virginia	4/1/2017	Yes	9/1/2021	3/1/2022
Virgin Islands	No Requirement	TBD		
Washington	3/29/2012	Yes	1/1/2024	7/1/2024
West Virginia	7/1/2011	Yes	6/8/2023	12/8/2023
Wisconsin	5/1/2011	Yes	10/1/2022	4/1/2023
Wyoming	9/26/2014	Yes	7/5/2023	1/5/2024

**Product Specific Training (PST)** is required for all NWL products in all states prior to solicitation. Training for the Ultra Series and Impact Series can be taken through QuestCE. Training for all other products can be taken through RegEd.

**Newly State Licensed Effective Date** - Agents newly licensed in the state on or after this date must complete a 4 hour course approved by the Department of Insurance before they may sell annuities.

**Currently State Licensed End of Grace Period** - Agents licensed in the state prior to the effective date who have previously qualified to sell annuities under the state's version of the Suitability in Annuity Transactions regulation may take either a 1 hour supplementary course or a new 4 hour course during the grace period. If not completed during the grace period, a new 4 hour course must be taken.

**Reciprocal** - States with a "Yes" indicate training for the state can be satisfied by completing another state's substantially similar training course.

State required training can be taken through any approved vendor of your choice. Training completed through RegEd or QuestCE will be automatically reported to NWL. Proof of training completed with any other vendor will need to be provided prior to or along with new business to the attention of the Licensing team via email: NWLLicensing@nwlic.com or by fax: 512-719-8506.

- <sup>1</sup> California requires a one time, eight credit general annuity training course prior to commencing annuity transactions in addition to the four continuing education credits that are required prior to license renewal every two years.
- <sup>2</sup> In addition to the four hour annuity course, Iowa has a separate training requirement in effect for indexed products. Producers soliciting indexed products in Iowa must also be in compliance with this training prior to solicitation.
- <sup>3</sup> Texas has additional training requirements for resident producers.