



Amerigo Financial Life and
Annuity Insurance Company
PO Box 410288
Kansas City, MO 64141-0288

Revised Suitability Requirements for Oregon

Oregon has adopted the NAIC revised Suitability in Annuity Transactions Model Regulation.

Changes effective January 1, 2024, include:

- Producers must act with a heightened standard of care in soliciting and selling annuities.
- This heightened standard of care is satisfied by meeting four obligations: care, disclosure, conflict of interest, and documentation.

As part of this heightened standard of care, producers must *not* place their financial interest ahead of the consumer's interest.

Please visit your Department of Insurance website to read the new regulations and understand your obligations.

Care Requirement

Producers must "exercise reasonable diligence, care, and skill" when making a recommendation by:

- Knowing the customer's financial situation, insurance needs, and financial objectives;
- Understand the available recommendation options after making a reasonable inquiry into options available to the producer;
- 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 considering the consumer profile information and
- Communicate the basis or bases of the recommendation.

The producer must have a *reasonable basis* to believe the consumer would benefit from certain features of the annuity, and the producer must be able to communicate the basis of the recommendation. The producer is not required to choose the product with the lowest compensation structure. Still, the producer must consider the contract, including product features, riders, and subaccounts at the time of purchase.

If the sale involves a replacement contract, the producer must consider the following:

- if the replacement product would substantially benefit the customer.
- if the customer would incur surrender charges or lose benefits from their existing product.
- if the customer would be subject to a new surrender charge period or increased fees from the new product.
- whether the customer has had another replacement in the last 60 months.

Disclosure Requirement

All applicants must be provided with the "Insurance Agent (Producer) Disclosure for Annuities" form (20-296-1) as outlined in the new regulation. Amerigo has provided a generic version of this disclosure form on the Agent Portal. This new disclosure form must be submitted with all annuity applications solicited on or after January 1, 2024.

New Suitability Form

A new suitability form may be required. Continue using the current form, and we will notify you if a new form is required.



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Conflict of Interest Requirement

A producer must identify and avoid or reasonably manage and disclose any financial interest of the producer in the annuity sale that a reasonable person would expect to influence the impartiality of a recommendation.

Documentation Requirement

The producer must document any recommendation made to a customer and the basis for the guidance on the forms provided by Amerigo.

NEW TRAINING REQUIREMENTS:

Producers must comply with regulations adopted by the state in which they write business to solicit and sell annuities. The previous version of the Model Regulation required Carrier Product-Specific Training and a 4-hour General Annuity Suitability CE (the previous 4-hour training).

As states adopt the Revised Regulation, producers doing business in those states will be required to complete **additional** General Annuity Training CE. The revisions to the Model Regulation require completion of **EITHER** a 1-hour General Annuity Training CE course available by producers who have taken the previous 4-hour training **OR** a new 4-hour General Annuity Training CE for those who have not taken it previously. General Annuity Training CE must be completed with a training vendor approved by the state of sale. Access to approved vendors, training dates, times, and fees is available on the state Insurance Department's websites.

Training Completion Deadlines in States that have adopted the Revised Model Regulation

A producer who has completed an annuity training course approved by the Department of Insurance before January 1, 2024, must meet the following by July 1, 2024:

- A new one-time four-credit training course; or
- An additional one-time, one-credit best interest standard training course approved by the board and provided by the board-approved education provider on appropriate sales practices, replacement, and disclosure requirements.

If you have any questions or if we can be of assistance, please get in touch with Agent Services at 800.231.0801 or agent.services@amerigo.com.