

Florida Adopted Revised NAIC Suitability in Annuity Transactions (Best Interest) Rule

Florida has put into effect the new National Association of Insurance Commissioners (“NAIC”) Best Interest Rule. Several years ago, the NAIC made changes to its Model Regulation #275 Suitability in Annuity Transactions (“NAIC Best Interest Rule”), adding a best interest standard of care for the recommendation of annuity contracts. The revised NAIC model is aligned more closely with the SEC’s Regulation Best Interest (“SEC Reg BI”) that applies to sales of variable annuity products and other securities.

This bulletin outlines the changes to the training requirements and application submission process for fixed and index annuity transactions to comply with Florida’s version of the NAIC Best Interest Rule (the “Florida Regulation”). For more information on the obligations under the NAIC Best Interest Rule, please refer to the Standard of Care section in the [Producer Sales Practices Manual](#).

Training Requirements in Florida as of January 1, 2024

Best Interest Training: Financial professionals must take all training required under the Florida Regulation in accordance with the timelines indicated in the bullets below:

- 1) Corebridge Financial product-specific training prior to the first sale of the applicable annuity product, and
- 2) The Florida Regulation requires producer completion of best interest and general annuity training.
Note: Florida did not require 4-hour general annuity training prior to January 1, 2024.

- Financial professionals licensed prior to January 1, 2024:
 - who have completed another Model State’s 4-hour general annuity training must complete either the **1-hour standalone best interest training** course or the new **4-hour best interest/general annuity training** on or before July 1, 2024.
Important: If the 1-hour standalone best interest training is not completed on or before July 1, 2024, then the 4-hour best interest/general annuity training will be required on and after July 2, 2024.
 - who have not completed a 4-hour general annuity course must complete the 4-hour best interest/general annuity training on or before July 1, 2024
- Financial professionals who obtain only a life insurance license on or after January 1, 2024, shall not solicit the sale of an annuity product until completion of the state approved **4-hour best interest/ general annuity** training course.

If training is not completed according to the timelines noted above, a new application (or a re-signed and re-dated application signed by both the financial professional and applicant) will need to be submitted with a signature date after the trainings have been completed.

Financial professionals need to follow their agency’s or broker-dealer’s direction on where to take training, such as using Kaplan, Quest Ce, RegEd, or Success CE. **Currently, vendors do not provide course details. Financial professionals should contact the vendor directly to obtain course information and follow the vendor’s instructions to complete only approved courses for Best Interest credit.**

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If a financial professional plans on taking training through a vendor not approved by their agency or broker-dealer, then the financial professional will need to notify Corebridge by emailing AnnuityCompliance@corebridgefinancial.com and/or their agency or broker-dealer to ensure that Corebridge is able to receive information from the vendor regarding training completion.

Disclosure Requirements in Florida as of January 1, 2024

Product Disclosures: Financial professionals are required to inform the client of various features of the annuity and potential consequences of the recommended transaction. Corebridge has several resources available to assist in understanding the annuity products and conveying this information to clients.

The following documents provide product information:

- Product training and client-approved marketing materials
- Owner Acknowledgment and Disclosure Statements (fixed index and fixed annuities)
- Prospectus (variable annuities)

New Insurance Agent Disclosure for Annuities (“Appendix A”) Form: Financial professionals must disclose the way they are compensated, the types of products they are licensed to sell, and the insurance companies for whom they are authorized to sell. Corebridge will make this form available for financial professionals to use.

This form is required for all sales that require the submission of Corebridge Financial’s Client Profile Form. If a financial professional would like to use a different version of the Insurance Agent Disclosure for Annuities form, then it must be submitted to Corebridge for review and approval prior to use.

The Insurance Agent Disclosure for Annuities form will be added as a requirement with Florida applications and can be downloaded by logging into www.corebridgefinancial.com and going to the Forms & Materials page.

Suitability Supervision: The current Client Profile Form was previously updated to comply with the NAIC Best Interest Rule, no additional changes to the form are needed to comply with this state’s adoption of the Rule. These updates were applied to all states (except New York). The Client Profile Form is designed to collect the additional suitability information required under the NAIC Best Interest Rule, which must include a summary for the basis of the recommendation and provide an enhanced explanation of the basis for a replacement transaction comparing the benefits of the two products.

The Client Profile Form is available on order entry systems and will be linked to the application. It is also available by logging into www.corebridgefinancial.com, going to the Forms & Materials page, and searching for form number A1005CP (for individually owned accounts) or A1005CPT (for trust owned accounts).

Important note: The Florida specific forms will no longer be a new business requirement as of January 1, 2024. As a result, the following forms will be removed from all form repositories and order entry systems.

- Annuity Suitability Questionnaire (form number: DFS-H1-1980)
- Disclosure and Comparison of Annuity Contracts (form number: DFS-H1-1981)

Transition Rules

Any application signed in Florida must adhere to the training and disclosure requirements above or the application will be considered not in good order. This adherence includes use of the Client Profile Form, the Insurance Agent Disclosure for Annuities form, and completion of required training prior to the signature date

Questions? Corebridge is here to help!

Financial professionals that have questions can contact the Corebridge Sales Desk at www.corebridgefinancial.com/support or their agency or broker/dealer.

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Annuities issued by **American General Life Insurance Company** (AGL), Houston, TX, except in New York, where issued by **The United States Life Insurance Company in the City of New York** (US Life). Certain annuities are issued by **The Variable Annuity Life Insurance Company** (VALIC), Houston, TX. Variable annuities are distributed by Corebridge Capital Services, Inc. (CCS), member [FINRA](#). Guarantees are backed by the claims-paying ability of the issuing insurance company and each company is responsible for the financial obligations of its products. Products and services may not be available in all states and product features may vary by state. **AGL does not solicit, issue or deliver policies or contracts in the state of New York.**

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