

ONLINE ANNUITY TRAINING COURSES

“Annuities Best Interest Standards” (1-Hour)

Course Overview:

In February 2020, the National Association of Insurance Commissioners (NAIC) approved revisions to its Suitability in Annuity Transactions Model Regulation (#275). The revised regulation requires that all annuity recommendations by producers and insurers meet a “best interest” standard. The new regulations requires all veteran insurance agents who previously qualified to sell annuities under their state’s version of the NAIC annuity suitability regulation may take a one-hour update course to qualify to sell annuities under the new NAIC best-interest standard. This course meets that requirement. This course details the standard of care agents must adhere to when recommending annuities to clients. It discusses the fact finding and analysis required to make a recommendation that is in the best interest of the client. It discusses conflicts of interests, disclosures to clients, and documentation.

Learning Objectives:

Upon completion of the course, the student will be able to:

- Describe what the regulation means by “best interest standard”
- Determine how producers can meet the best interest standard
- Disclose the associated producer obligations that pertain to care, disclosure, conflicts of interest, and documentation
- List the requirements that insurers have to create and maintain a system of supervision to ensure compliance with the model regulation
- Identify the types of financial professionals who may qualify for a “safe harbor” exemption to the NAIC’s model regulation and the comparable standards they have to meet

“4-Hour Annuity Suitability Best Interest Training Course Online”

Course Overview:

The creation of annuities was driven by the need for security in an uncertain world. It is guided by the need for the insurance features that an annuity contract provides. The principal insurance role of annuities is to indemnify individuals against the risk of outliving their resources.

The purpose of this course is to provide a comprehensive understanding of annuities, focusing on the insurance features annuity contracts provide. It provides a comprehensive understanding of the provisions, features, benefits, payment and settlement options, and tax treatment for fixed, index and variable annuities. The course concludes with an overview of unfair trade practices and the recently amended Suitability in Annuity Transactions Model (#275) Regulation.

Learning Objectives:

Upon completion of the course, the student will be able to:

- Demonstrate an understanding of all annuity types and basic terms
- Identify the parties to an annuity contract
- Understand and explain how annuities are taxed
- Apply marketing, sales, and record-keeping practices
- Identify the suitability requirements that apply when recommending and selling annuities
- Recognize the repercussions that may result from an improperly structured annuity

“Annuity Best Interest Standards Training Course”

(10-Hour)

Synopsis:

On February 13, 2020 the NAIC Executive Committee and the Plenary voted to approve an update to the NAICs Suitability in Annuity Transactions Model Regulation (Model # 275). The revisions, specifically Section 1A defines the purpose of this regulation to require producers, as defined in this regulation, to act in the best interest of the consumer when making a recommendation of an annuity and to require insurers to establish and maintain a system to supervise recommendations so that the insurance needs and financial objectives of consumers at the time of the transaction are effectively addressed.

Specifically, Section 7B of the Model Regulation, requires a one-time, minimum four credit hour general annuity training course offered by an insurance-department approved education provider and approved by an insurance department in accordance with applicable insurance education training laws or regulations. Additionally, under Section 7A of the Model Regulation, insurance producers will also need to complete product-specific training through the insurance carriers whose products they sell. (Note that Oklahoma has not mandated product specific training).

Section 7A states a producer shall not solicit the sale of an annuity product unless the producer has adequate knowledge of the product to recommend the annuity, and that the producer is in compliance with the insurer’s standards for product training. A producer may rely on insurer-provided product-specific training standards and materials to comply with this subsection.

The minimum length of the training required under this subsection shall be sufficient to qualify for at least four (4) CE credits, but may be longer. Producers who hold a life insurance line of authority on the effective date of this regulation and who desire to sell annuities shall complete the requirements of this subsection within six (6) months after the effective date of this regulation. Newly granted licenses with this authority must complete the requirement prior to the sale of annuities

To meet training requirement of Section 7A: 4- Hour Annuity Training Course has been written and submitted to the various state’s Department of Insurance for approval for at least four (4) hours of annuity products-best interest continuing education as either a correspondence self-study course or as an on-line course. To receive continuing education credit for this course the student must complete either a paper exam or an online exam with a total of 50 questions and receive a passing grade of 70%.