



February 15, 2020

NAIC Adopts Annuity Suitability Model

On February 13, the National Association of Insurance Commissioners (NAIC) approved NAIFA-backed revisions to the Suitability in Annuity Transactions Model Regulation clarifying that all recommendations by agents and insurers must be in the best interest of the consumer.

The revisions incorporate a “best interest” standard into the model revisions that require producers and insurers to satisfy requirements outlined in a care obligation, a disclosure obligation, a conflict of interest obligation, and a documentation obligation. The model revisions also include enhancements to the current model’s supervision system to assist in compliance.

Nearly every state has adopted the previous model, which has been protecting consumers for 15 years.

Prospects: NAIFA will encourage state regulators and legislatures to swiftly adopt the revisions to the NAIC model. Our efforts, in partnership with industry partners, could see a dozen or more state do so in 2020.

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