



Advocacy 

TOGETHER
WE CAN TAKE ON
ANYTHING

TALKING POINTS

Standard of Care: Best Interest *Talking Points*

- The updated NAIC Suitability Model, incorporating the best interest standard of care, is one of the most important NAIC consumer protection initiatives in the last 20 years.
- The Best Interest Standard ensures that customers' interests are put first and that they continue to have access to advice and choices on how to engage with financial professionals.
- Financial professionals must put their client's financial interests ahead of their own.
- The revised model law provides compliance, clarity, and consistency of financial services by defining specific obligations and requirements to satisfy the standard.
- For financial professionals, there are clear obligations for disclosures, potential conflicts of interest, and understanding of the consumers' needs and objectives.
- The revised model aligns well with its federal counterpart – SEC's Regulation Best Interest. Together, these two initiatives significantly enhance protections for consumers across the country who seek guaranteed lifetime income in retirement through annuities.
- Uniform adoption aligns with the NAIFA's goal of a uniform and standardized sales process for producers across the country.
- NAIFA's Code of Ethics, to which every member pledges, includes the principle: "To work diligently to satisfy the needs of my clients by acting in their best interest."
- There is widespread insurance industry support for the Best Interest Standard of Care in annuity transactions.