



NAIC Annuity Suitability Regulation

Checklist for Insurance Professionals



For annuity sales in states that have adopted the new NAIC annuity suitability model regulation, please refer to the following checklist to ensure you are properly documenting each recommendation made and policy subsequently issued in these states. A completed copy of this checklist may assist with the future auditing of your case files. **This form must be completed and is required for all New York Life (NYL) annuity recommendations and must be submitted with the completed NYL annuity application and client profile.**

Prospect Name: _____ State of Sale: _____

Carrier/Product Name: _____

Training

- Complete one-time, **four-hour** annuity course as part of the annuity license requirement
- If one-time annuity course did *not* include training on the NAIC's revised annuity suitability standard (e.g. was taken before the state adopted the standard), complete a **one-hour** supplemental continuing education course on this revised regulation (effective date for supplemental training may be delayed in some states; see Tellus' [Best Interest Requirements By State map](#) for details.)
- Complete product training for the recommended product

Please note: all training must be completed before the application is completed and signed or it will be rejected by the carrier.

Sales Process

- Complete [NAIC Annuity Disclosure "Appendix A"](#) and provide to client prior to making a recommendation or sale
- Complete Needs Analysis or Client Profile (reasonable effort must be made to obtain certain information from the client – use [Tellus' Needs Analysis](#) and/or suitability form from carrier's application packet for a list of key information to obtain from the client)
 - Evaluate product options and recommend one or more options to the client that effectively address his or her financial situation, insurance needs and financial objectives over the life of the product
 - Inform client of features of the annuity, including fees, surrender charges, and non-guaranteed elements
 - Describe the basis for the recommendation: _____

- If** the client refuses to provide suitability information and/or wants to purchase a policy you have not recommended:
 - Complete and obtain the signature of the client on [NAIC Annuity form "Appendix B"](#) if the client refuses to provide some or all suitability information
 - Complete and obtain the signature of the client on [NAIC Annuity form "Appendix C"](#) if the client decides to purchase an annuity *not* based on your recommendation
- Complete recommended carrier application and suitability form
- For replacements, determine that the replacing product would substantially benefit the consumer in comparison to the replaced product, and complete any additional documentation required by the carrier for replacements
- Disclose the amount of compensation *if requested by the client*

Documentation and Retention

- Retain all sales documentation used in making the recommendation, including illustrations, sales material, personal notes, and anything else that may assist in supporting the recommendation and addressing any potential customer complaint.

Insurance Professional Name (Printed) _____

Insurance Professional Signature _____

Date _____



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