F&G ANNUITIES & LIFE

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Best Interest Regulation
COMPLIANCE BULLETIN

Georgia adopts revised NAIC model regulation now effective August 1, 2023

IMPORTANT - NEW DATES: Agents licensed in Georgia prior to August 1, 2023 must complete additional CE training by January 31, 2024. See details on page 2.

This notice applies to all agents who sell F&G annuities in Georgia. For a list of states that have adopted the updated NAIC model regulation, view our NAIC Best Interest Regulation Adoption Chart.

Effective August 1, 2023, Georgia will implement the revised National Association of Insurance Commissioners (NAIC) Suitability in Annuity Transactions Model Regulation which incorporates best interest requirements into existing suitability regulations.

Under the new regulatory requirements, you are required to act in the best interest of the client whenever making a recommendation of an annuity — under circumstances known at the time of recommendation, without placing your or the insurer's financial interest ahead of the client's interest. You have acted in the best interest of the consumer if you satisfy the obligations of care, disclosure, conflict of interest and documentation as specified in the regulation.

What this means for you

You are subject to new duties and responsibilities which you must review and understand to satisfy the law and meet company requirements. You should familiarize yourself with the following compliance materials:

- **NAIC Model Regulation** – revised in 2020 to incorporate best interest requirements.
- **Best Interest Addendum to the F&G Market Conduct Guide (see addendum following page 36)** – applicable to agents who sell annuities in states that have adopted the revised NAIC Model Regulation.

(Please note, agents are responsible for complying with the specific laws and requirements of their respective states, which in some cases may vary from the NAIC Model Regulation.)

Submitting annuity applications to F&G on or after August 1, 2023

F&G will require two new forms be completed with applications for policies issued in Georgia to ensure recommendations of F&G annuity products comply with the new regulation:

- **Best Interest Supplement (ADMIN 5840)** – this form supplements the Suitability Acknowledgement Form and establishes that the applicant considered important information and that you, the agent, complied with specific requirements under the new regulation. Please refer to the **Best Interest Supplement Instructions** for detailed information on completing this form.

- **Insurance Agent Disclosure for Annuities (ADMIN 5841)** – this form ensures compliance with agent disclosure obligations. You may use your own form if it contains all required information. Disclosure must include scope and terms of your relationship with the consumer, your role in the transaction, types of products you are licensed to sell, sources and types of compensation, and the right of the consumer to request additional information about cash compensation. Please refer to the **Insurance Agent Disclosure for Annuities Instructions** for detailed information on completing this form.

Both forms are required for an annuity application to be deemed in good order. Please contact your new business case manager if you have any questions about these forms.

Compensation disclosure

Under the new regulation, consumers have the right to request additional information about your cash compensation for the annuity sale. If you receive a request relating to an F&G annuity, F&G requires you to use the following form:

- **Supplemental Cash Compensation Disclosure (ADMIN 5842)** – this form helps ensure accurate compensation information is provided to the consumer. You must complete the form, provide it to the consumer, and keep a copy in your client files. Please refer to the **Supplemental Cash Compensation Disclosure Instructions** for detailed information on completing this form.

New training and continuing education (CE) requirements

Agents licensed in Georgia who satisfied their 4-hour annuity training course prior to August 1, 2023 have until January 31, 2024 to satisfy one of the requirements below:

- A new 4-hour annuity training course approved by the applicable state insurance department after August 1, 2023; or
- An additional one-time 1 hour credit training course approved by the applicable state insurance department on sales practices under the new NAIC regulation.

Any agent who is newly licensed after August 1, 2023 in Georgia must complete the newly approved 4-hour annuity training course.

With respect to the training requirements described above for agents licensed prior to August 1, 2023, enforcement will begin for policies sold in Georgia on or after January 31, 2024. After that date, if you have not completed required training, applications will be rejected and will have to be resubmitted after you complete the required training.

F&G has an ongoing relationship with SuccessCE to help agents meet these training requirements. Licensed F&G agents can take the one-time 1 credit training course offered by SuccessCE for a nominal fee. Completion certificates can be faxed to 410.895.0129 or emailed to **Contracting.Support@fglife.com**.

You may also satisfy CE training requirements through other vendors approved by F&G. Contact **Contracting.Support@fglife.com** to inquire about approved vendors.

Questions? Visit SalesLink / Contact Us

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The information provided in this bulletin is solely intended to promote compliance with the new NAIC regulations. Nothing herein should be construed as legal advice.