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SUITABILITY IN ANNUITY TRANSACTIONS REGULATION: INSURANCE PRODUCER TRAINING

I. Purpose and Scope

Effective September 1, 2013, the Mississippi Insurance Department (MID) adopted the NAIC Model for Suitability in Annuity Transactions Regulation, 19 Miss. Admin. Code, Part 2, Chapter 18.

This regulation requires insurers to establish a system to supervise and set standards and procedures for recommendations to consumers that result in transactions involving annuity products so consumer insurance needs and financial objectives are appropriately addressed.

II. Standards

Rule 18.07: Insurance Producer Training states that "An insurance producer shall not solicit the sale of an annuity product unless the insurance producer has adequate knowledge of the product to recommend the annuity and the insurance producer is in compliance with the insurer's standards for product training".

The following minimum training is required:

- a. An insurance producer who engages in the sale of annuity products shall complete a one-time four (4) credit hour training course approved by the Department and provided by the Department approved education provider.

To allow time for the training process to be completed, insurance producers who held a life insurance line of authority on the effective date of this regulation (September 1, 2013) and who desired to sell annuities were given a grace period of twelve (12) months after the effective date to meet the requirements of Rule 18.07. Individuals who obtained a life insurance line of authority on or after the effective date were required to complete the annuity training course prior to engaging in the sale of annuities.

III. Enforcement

Effective September 1, 2014, the grace period expires and only agents who have completed the training requirements in accordance with this regulation may solicit the sale of an annuity product.

Questions may be directed to the MID Legal Division at (601) 359-2451.

Issued this the 7th day of August, 2014.


MARK HAIRE
DEPUTY COMMISSIONER