

## Annuity Training- Best Interest Standard

### *Frequently Asked Questions*

#### What are the training requirements under the 2020 version of the NAIC Suitability in Annuities Model Regulation?

Carriers must provide product-specific training. Producers must complete a 4-hour course on the best interest standard and general annuities content before selling annuities. Those who have already complied with the original suitability training under the 2010 version of the Model may substitute a 1-hour course for the 4-hour requirement, if they complete the 1-hour course within the specified time by their state (the NAIC model regulation recommends 6 months). The courses must be offered by a state approved course provider.

Reciprocity is allowed. Substantially similar course or courses taken in a state shall be deemed to meet the requirements in another state.

Any of these rules could potentially vary from state to state since it's ultimately up to the state to decide what rules they wish to adopt.

#### What courses does RegEd recommend to fulfill the training requirement?

Please refer to the annuity chart for information regarding the recommended course in a specific state:  
[ANNforCEA\\_CECMaster.pdf \(reged.com\)](#)

In general, RegEd offers course 490 to fulfill the 4-hour course requirement. If the producer is eligible to take a 1-hour course instead, course 491 is recommended. The prerequisite in taking the 1-hour option is that the producer has already completed course 390 or an equivalent course.

#### Course 490 is referred to a 4-hour course. However, in some states it is listed as a 5-hour course. Why is that?

Course 490 was written to satisfy the 4-hour best interest training requirement. Each state approves CE for courses differently. For some states, the amount of content in 490 merited 5 hours of CE credit. It is still the 4-hour course to satisfy the Best Interest training requirement, even where 5 hours of credit are available. Individuals are simply receiving additional CE credit.

#### Can a producer take the 1 hour course if it's completed outside of the 6 month grace period (or the timeframe specified by the state)?

RegEd will pose this question to each state as they adopt the 2020 Model.

So far, AZ and IA have instructed providers to not offer the 1-hour course after their 6 month grace period. But because of the reciprocity rule, they will accept a completion taken in another state regardless of when the course was taken.

## Do producers have to wait until the state's effective date before taking the updated training?

RegEd will pose this question to each state as they adopt the 2020 Model.

Iowa- On 10/14/2020, IA announced they are allowing completions as early as 10/1/2020 if the course is approved in the Annuity Products- Best interest category. RegEd's courses 490 and 491 were approved on 10/15/2020. Therefore, 490 and 491 course completions will be accepted going back to 10/15/2020. IA confirmed providers should not offer the 1-hour course option to fulfill the training requirement after 6/30/2021 when the 6 month period is over.

Arizona- On 10/28/2020, AZ presented a webinar where they announced the 1 hour courses could be taken as early as 10/10/2020, but those wanting to take the 4 hour course will have to wait until 1/1/2021.

## Since IA will allow 490 and 491 to be taken as early as 10/15/2020, will the other states accept IA's completions going back to 10/15/2020?

RegEd will pose this question to each state as they adopt the 2020 Model. So far, AZ has confirmed that they would.

## If a producer is licensed in a state that observes the suitability standard and another state that observes the best interest standard, will the producer have to take two separate 4 hour courses?

This is to be determined. NAIC is working on an FAQ document to assist states (not companies or producers) in implementing the best interest requirement. RegEd is waiting to see if they address this since they received some comment letters asking this to be included in the FAQ. However, until direction is given by the NAIC, it is our understanding that producers must meet the annuity training requirements to sell in each state.

## *Technical Questions- Implementation of states that have recently adopted the Best Interest Training Requirement*

### Which states have recently adopted the annuity training requirement, but are not implemented in ITP yet?

The time it takes for a state to adopt a new or revised training requirement until it's implemented in ITP can vary from state to state. It could be due to the length of time between the adoption date and the effective date, the length of time it takes to receive confirmation from the state regarding their interpretation of the rules, or other factors. Here are the states that have adopted a best interest training requirement, but are not yet implemented in ITP:

**New Hampshire** – 2/16/2024

**Indiana** – 7/1/2024

**Utah** – 7/1/2024

**Vermont** – 7/5/2024

**California** – 1/1/2025

## *Technical Questions- Implementation of AZ and IA in ITP*

How will completion of courses 490 and 491 show up in our nightly file feed of agent course completions?

490 and 491 will be listed just like the other courses with all of the same data fields, but with course-specific information for both of those courses.

How will the course 390 be differentiated from courses 490 and 491 in the nightly completion file?

The Course ID and Course Name will differentiate each of the courses.

How will course 490 and 491 show in ITP?

Right now, the courses are available in the Optional Insurance CE catalog. 491 is available for free until January 1, 2021. On January 1st, 490 and 491 will also show up in the Annuity Requirements table for Iowa and Arizona.

When will course 490 and 491 show up as a requirement in ITP when the agent logs in?

On January 1, 2021, 490 and 491 will show up in the Annuity Requirements table for Iowa and Arizona. Until January 1st, the 390 requirement is in place so ITP will recommend 390 courses for those states until the requirements change on January 1st.

If a producer has taken the "old" CE course (like course 390) with a different service provider (i.e. Web CE) will ITP allow the producer to take course 491 with RegEd?

ITP will allow the user to take 491. However, the state requirements will not be listed as complete without completing one of the "old" courses in RegEd because ITP does not take into account other CE vendor's courses.

If a producer does not take course 491 by June 30, 2021 (for AZ and Iowa), will course 490 then show as a requirement in ITP?

Yes. After June 30, 2021, 491 will no longer be available for credit in Iowa and Arizona and will not be recommended for those states. Producers in those states will need to take 490 to meet the annuity training requirements, but this course may be available for CE only.

Will our nightly file that we send to RegEd need to change in any way?

No changes are needed to the nightly feed sent to RegEd. The new Iowa and Arizona requirements will automatically be applied to the producers who have those licenses listed in ITP.

Who should client IT associates contact with questions?

Questions should be routed through the Relationship Manager.