

COVER SHEET

CB-128 (Amended)
October 8, 2021

BULLETIN

SUBJECT: ANNUITY TRAINING FOR PRODUCERS ENGAGING IN THE SALE OF ANNUITY PRODUCTS

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SUBJECT: ANNUITY TRAINING FOR PRODUCERS ENGAGING IN THE SALE OF ANNUITY PRODUCTS

The purpose of this bulletin is to respond to inquiries the Nebraska Department of Insurance has been receiving with regard to annuity training requirements for insurance producers wishing to sell annuity products. The Department's responses are provided in a Question and Answer format. This bulletin has been updated to reflect the adoption of the National Association of Insurance Commissioners' ("NAIC") latest amendments to its Suitability in Annuity Transactions Model Regulation. The bulletin is applicable to all producers wishing to engage in the sale of annuity products, including limited line funeral insurance licensees.

Q: Did Nebraska adopt the NAIC's latest amendments to its Suitability in Annuity Transactions Model Regulation ("NAIC Model")?

A: Yes. The Nebraska Unicameral enacted the most recent revisions to the NAIC Model, which was adopted by the NAIC in the spring of 2020, in LB 22 during the 2021 legislative session. LB 22 amended our current Nebraska Protection in Annuity Transactions Act ("Act"), Neb.Rev.Stat. §§ 44-8101 to 44-8109 and become operative on April 7, 2021. Copies of those statutes are available at the Nebraska Legislature's website located at <http://nebraskalegislature.gov/>.

Q: What are the new annuity training education requirements for insurance producers who sell annuity products?

A: (1) An insurance producer who holds a life insurance line of authority on July 1, 2021 and desires to solicit the sale of annuity products shall complete, within six months after July 1, 2021, a one-time, new four-credit training course approved by the Nebraska Department of Insurance and provided by a Nebraska-approved continuing education provider, or an additional one-time, one-credit training course approved by the Department of Insurance and provided by a Department of Insurance approved education provider on appropriate sales practices and replacement and disclosure requirements under the Nebraska Protection in Annuity Transactions Act.

(2) Individuals who obtain a producer license on or after July 1, 2021 may not engage in soliciting the sale of annuity products until the required four-credit annuity training course has been completed.

Q: Are non-resident insurance producers also required to complete the annuity training requirement?

A: Yes, if the non-resident insurance producer is going to solicit the sale of annuity products in the State of Nebraska. The satisfaction of another state's annuity training requirements by a Nebraska non-resident producer will be deemed to satisfy the training requirements of our state if the other state's training requirements are substantially similar to Nebraska's requirements under the Act.

Q: If a producer took an annuity training course prior to July 1, 2021, would this meet the training requirement?

A: Yes, provided that the course complies with the new training requirements of our state under the Act.

Q: What topics must be covered by an annuity training course?

A: The topics that must be covered by the annuity training course are set out in the Act and shall include information on:

- (1) The types of annuities and various classifications of annuities;
- (2) Identification of the parties to an annuity;
- (3) How fixed, variable and indexed annuity contract provisions affect consumers;
- (4) The application of income taxation of qualified and nonqualified annuities;
- (5) The primary uses of annuities; and
- (6) Appropriate sales practices and requirements for replacement and disclosure.

Q: Is the annuity training requirement a continuing education (CE) requirement?

A: No, it is not. This is a training requirement for soliciting the sale of an annuity product. However, resident insurance producers who take the four-credit training course may use the credits to satisfy their overall CE requirements under Neb.Rev.Stat. § 44-3904. The annuity training course must be submitted by a Nebraska-approved continuing education provider and be in compliance with the requirements applicable to insurance producer continuing education courses under Neb.Rev.Stat. § 44-3905 and Nebraska Insurance Regulation Chapter 38. Annuity training courses may be conducted and completed by classroom or self-study methods.

Q: Does a producer need to keep a certificate of completion of the training course?

A: Yes. The producer may be asked by the insurer to provide a certificate of completion of the training course in order to satisfy the insurer's responsibility under the Act to obtain the certificate of completion or to obtain reports from NAIC-sponsored database systems or vendors or from a reasonably reliable commercial database vendor that has a reporting arrangement with approved continuing education providers. The Nebraska Department of Insurance will not track the training course completions of producers. It is the insurer's responsibility to verify that the producer has completed the training.

Q: Where can a producer find a Nebraska-approved training course?

A: All approved courses are listed on the Nebraska Department of Insurance website at <http://sbs.naic.org/solar-external-lookup/>.

Questions about this Bulletin may be directed to the Producer Licensing Division at 402-471-4913 or via email at doi.licensing@nebraska.gov.



Eric Dunning
Director