



Field
Update



September 21, 2011

From: Maureen Closson, Senior Vice President and Chief Compliance Officer

Continuing Education Required for Indiana, Maryland Producers

Two states, Indiana and Maryland, have adopted similar requirements to the NAIC's new Model Suitability Rule – a rule that requires all insurance producers selling or soliciting annuity products to obtain a four-hour continuing education course.

The four-hour continuing course – only a one-time requirement that's not a condition of license renewal – must be obtained from an APPROVED vendor. Indiana and Maryland joined other states previously announced and included in the chart below.

The rule also prohibits insurance producers from soliciting an annuity application unless the producer has adequate knowledge about the product and the producer is in compliance with the issuing insurer's standards for product training.

Aviva Implements New Product-Specific Training

Aviva implemented a new required product-specific training that provides the information needed to have adequate knowledge about Aviva's products. Producers who hold a life insurance line of authority issued prior to the effective date of the respective states (see chart below) will have additional time to complete the new product specific training course, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.

Training Effective Dates

- Producers who obtain their life insurance line of authority on or after the rule effective date listed on the chart below must complete both trainings before soliciting their first annuity application.
- Producers who obtain their life insurance line of authority before the rule effective date listed on the chart below have six months to complete both a four-hour Continuing Education course and Aviva's product-specific training.

Producers are encouraged to complete the required trainings as soon as possible. All producers licensed after the effective dates must complete both trainings prior to soliciting business.

(continued)

NEW STATE ADOPTION

State	Citation	Effective Date	Existing producer Training Deadline	Important Information
Indiana	HB 1486	1/01/2012	7/01/2012	<ul style="list-style-type: none"> • IN producers who obtain their life insurance line of authority on or after the rule effective date must complete both trainings before soliciting their first annuity application. • IN producers who obtain their life insurance line of authority before the rule effective date have six months to complete both a four-hour Continuing Education course and Aviva's product-specific training. Producers are encouraged to complete the trainings as soon as possible in order to avoid any delays in processing business after the deadline.
Maryland	MD ADC 31.09.12.01	11/01/2011	5/01/2012	<ul style="list-style-type: none"> • MD producers who obtain their life insurance line of authority on or after the rule effective date must complete both trainings before soliciting their first annuity application. • MD producers who obtain their life insurance line of authority before the rule effective date have six months to complete both a four-hour Continuing Education course and Aviva's product-specific training. Producers are encouraged to complete the trainings as soon as possible in order to avoid any delays in processing business after the deadline.

(continued)

Important Training Deadlines Continued

PREVIOUSLY ANNOUNCED ADOPTIONS				
State	Citation	Effective Date	Existing producer Training Deadline	Important Information
Colorado	Rule 4-1-11	04/01/2011	10/01/2011	<ul style="list-style-type: none"> • CO producers who obtain a life insurance line of authority on or after 4/01/2011 must complete both training courses before soliciting an annuity application. • CO producers holding a life insurance line of authority issued prior to 4/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Iowa	IAC 191-15.68	01/01/2011	05/01/2011	<ul style="list-style-type: none"> • IA producers appointed after January 1, 2011, must complete both the 4 hour CE course and the product-specific training prior to soliciting an annuity application. • Existing IA producers appointed prior to effective date must have completed BOTH trainings by May 1, 2011, in order to avoid interruption with processing applications
North Dakota	Section 26.1-34.2	08/01/2011	08/01/2012	<ul style="list-style-type: none"> • ND producers who obtain a life insurance line of authority on or after 8/01/2011 must complete both training courses before soliciting an annuity application. • ND producers holding a life insurance line of authority issued prior to 8/1/11 will be given 12 months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Ohio	Rule 3901-6-13	07/01/2011	01/01/2012	<ul style="list-style-type: none"> • OH producers who obtain a life insurance line of authority on or after 7/01/2011 must complete both training courses before soliciting an annuity application. • OH producers holding a life insurance line of authority issued prior to 7/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Oklahoma	Rule 25	07/13/2010	07/14/2011	<ul style="list-style-type: none"> • OK producers that held a life insurance line of authority prior to July 13, 2010, must complete the four-hour continuing education course by July 14, 2011. • OK producers who had a life insurance line of authority on or after July 14, 2010, must complete the training prior to selling an annuity. In addition, all producers regardless of license date must complete the Aviva product specific training requirements by July 14, 2011 to continue to sell annuity products. If either training is not completed by July 14, 2011, your business will be returned.
Oregon	Rule 836-080-0170	07/01/2011	01/01/2012	<ul style="list-style-type: none"> • OR producers who obtain a life insurance line of authority on or after 7/01/2011 must complete both training courses before soliciting an annuity application. • OR producers holding a life insurance line of authority issued prior to 7/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.

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Important Training Deadlines Continued

PREVIOUSLY ANNOUNCED ADOPTIONS				
State	Citation	Effective Date	Existing producer Training Deadline	Important Information
Rhode Island	Rule 12	06/01/2011	12/01/2011	<ul style="list-style-type: none"> • RI producers who obtain a life insurance line of authority on or after 6/01/2011 must complete both training courses before soliciting an annuity application. • RI producers holding a life insurance line of authority issued prior to 6/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken
South Carolina	SC Reg 69-29	9/25/2011	03/25/2012	<ul style="list-style-type: none"> • SC producers who obtain a life insurance line of authority on or after 9/25/2011 must complete both training courses before soliciting an annuity application. • SC producers holding a life insurance line of authority issued prior to 9/25/2011 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Texas	HB 2277	9/01/2011	03/01/2012	<ul style="list-style-type: none"> • Texas producers who obtain a life insurance line of authority on or after 9/01/2011 must complete both training courses before soliciting an annuity application. • Texas producers holding a life insurance line of authority issued prior to 9/01/2011 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Washington DC	Rule 8400	06/24/2011	12/24/2011	<ul style="list-style-type: none"> • DC producers who obtain a life insurance line of authority on or after 6/24/2011 must complete both training courses before soliciting an annuity application. • DC producers holding a life insurance line of authority issued prior to 6/24/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
West Virginia	Rule 114-11B	07/01/2011	01/01/2012	<ul style="list-style-type: none"> • WV producers who obtain a life insurance line of authority on or after 7/01/2011 must complete both training courses before soliciting an annuity application. • WV producers holding a life insurance line of authority issued prior to 7/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Wisconsin	WI Stat 628.347	05/01/2011	11/01/2011	<ul style="list-style-type: none"> • WI producers who obtain a life insurance line of authority on or after 5/01/2011 must complete both training courses before soliciting an annuity application. • WV agents holding a life insurance line of authority issued prior to 5/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.

Aviva, RegEd Partner to Provide Training

Aviva has partnered with RegEd to provide both components of the required training. Both the four-hour continuing education course on annuities and the Aviva product specific course(s) must be completed to be considered in compliance with the new rule.

Access to Required Training

New Producers will be given access to the training in the following way:

1. An appointment confirmation e-mail will be sent to the person or team who submitted the contracting paperwork, providing a website link and instructions on how to access Aviva's training via RegEd, and;
2. If the producer's e-mail address was provided, Aviva will also e-mail the link to the producer. Please note that if the producer did not provide an e-mail address, the person or team who submitted the contracting paperwork is responsible for communicating with the producer regarding how to access the training.

Existing Producers will be given access to the training in the following way:

1. Those who have provided Aviva with a valid e-mail address will receive the link via e-mail, or;
2. Existing producers can also access this same information and a link to the RegEd site by clicking on the "NAIC Annuity Suitability Training via RegEd" link located in the upper left-hand corner of the agent portal landing page.

If you have questions regarding the training requirements or the suitability requirements, please contact Annuity Sales Support at 800-255-2405, ext. 6620 or refer to our helpful [Frequently Asked Questions](#) regarding this implementation.

Please visit the News Archive on the Agent Portal for previously announced state adoptions.

Thank you for your commitment to Aviva! We look forward to continuing to work with you.

Annuity Suitability Model

Frequently Asked Questions

Version 6



Below is information regarding Aviva's implementation of new training requirements for annuity sales. The training requirements are in accordance with the new NAIC Suitability Model, introduced in 2010.

1) Why are we implementing new training requirements?

Compliance with the NAIC new suitability training requirements is the basis for exemption from federal securities regulation. The new model regulation shifts the carrier responsibility from reviewing the agent's recommendation and determining it is reasonable, that it is suitable, and that it followed the suitability guidelines to the carrier being responsible for the product recommendation given for the clients' situation.

2) Are other insurance companies doing this too?

All carriers are required to comply with the regulation and each is implementing their own plan, many similar in scope to Aviva's.

3) How will the Model Regulation affect Aviva's operations?

Over the past few years, Aviva has implemented processes to address annuity suitability. This will make for an easier transition to the formal regulation for Aviva agents.

4) What does the training consist of?

The training requirement includes two elements: 1) a 4 hour continuing education (CE) course on annuities and sales practices, replacements and disclosure requirements; and 2) a product specific training course designed so that the agent has adequate knowledge to recommend the product. Each carrier is responsible for setting their training standard for the product specific training element.

5) How are other carriers adopting the NAIC suitability model?

Many carriers have taken a similar position as Aviva and are relying on the model to establish federal security regulation exemption. Each carrier is responsible for setting their training standard and implementation. Many carriers will rely upon third-parties to deliver the training requirements.

6) Does this apply to all annuities?

Yes.

7) Who needs to take the training? How will training requirements be handled for hierarchies/up lines? Does the entire hierarchy need to have training to allow business to be solicited by an agent in that hierarchy?

At this time, completion of the training will be required for the soliciting agent only.

8) What is the implementation timeline?

NAIC Suitability Model Adoption Chart

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9) Which vendor(s) has Aviva partnered with to provide the training?

Aviva has partnered with [RegEd](#) to provide the required training courses.

10) Where can agents obtain the training?

Agents can access the training online through the [RegEd](#) site as each respective state(s) becomes available. As the training is rolled out to each state, agents licensed and appointed in that state will receive an email from Aviva explaining how to access the training. Training can also be accessed through the agent portal.

11) How will we handle agents that complete the NAIC requirements of the 4 hour CE training through another approved provider?

If an agent has completed the 4 hour CE course through another approved provider, a new agent may provide a copy of the approved course certificate with the appointment application and an existing agent may fax a copy of the certificate with his/her agent code included to Aviva USA's Licensing Department at 800-531-0038. Aviva will only accept courses which are designated as meeting the NAIC suitability model training requirements. The agent must also complete the Aviva specific product training found on the [RegEd](#) site at least one day prior to taking an application.

12) What if an agent only completes one of the two parts of training?

The agent must complete both the 4 hour CE course and the Aviva product specific training course at least one day prior to solicitation to be in compliance with the training requirement.

13) What actions will be taken if the agent does not comply?

If the agent does not comply with the training requirement, he or she will be unable to solicit sales.

14) Will New Business return applications to agents who have not completed the training?

The application must be solicited and dated at least one day after the training requirement has been met. When Aviva receives an application our systems will check all compliance requirements. If any requirements have not been completed, Aviva will require a new application prior to policy issue.

15) How will applications with cash be handled? 1035 exchanges? Pending business?

Checks for annuity premium are deposited upon receipt. In the event that an agent does not meet the training requirements, the funds will be returned to the customer in the form of an Aviva check no longer than 90 days from date of receipt. 1035 exchanges will be handled on a case by case basis. If business is written and/or received prior to the training requirement date, the policy will be "grandfathered" and allowed to issue.

16) Where do I call for questions?

For questions please contact Annuity Sales Support 800 255-2405 ext. 6620.

17) How will Aviva provide reports to Key Distribution Partners for non-compliance with the Reg?

Aviva's tracking system will eventually provide the ability to run reports to determine which agents have not provided proof of compliance with the NAIC suitability training model training requirements. These reports will not be available until approximately April, 2011. Once available, and prior to each state's training completion deadline, Aviva will provide to KDPs a report indicating the appointed agents that still need to complete the NAIC suitability model training.

18) Why is the Annuity Product Comparison Worksheet mandatory?

The Annuity Product Comparison Worksheet will be mandatory for any replacement situation. Under the new Suitability Model suitability requirements and documentation for exchanges and replacements has expanded for both insurance carriers and producers.

The Annuity Product Comparison Worksheet verifies information that must be taken into consideration when determining whether or not the proposed product is suitable for the client's current situation and that the client would benefit from product enhancements and improvements.

19) Who is responsible for the fees associated with completing the training courses?

The fees associated with completing the product specific training course are covered by Aviva. The fees associated with completing the 4 hour CE course are the responsibility of the agent. Please note, some states offer free approved CE courses where as other states charge for the courses.