

NAIC ANNUITY STATE TRAINING REQUIREMENTS

**Please note these requirements could change at any time based on each state Department of Insurance*

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
Alabama					
Alaska	<p>NEW REQUIREMENT</p> <p>AK Title 3 AAC 26.770 - 26.789</p> <p>Effective 10/16/2011, Alaska has adopted new regulations pertaining to suitability in annuity transactions. Regulations related to Insurance Producer Annuity Training are found in 3 AAC § 26.778</p> <p>(NAFA submitted a Comment to Alaska’s proposed new regulation, seeking uniformity of compliance for both PST and CE training.)</p>	<p>For existing producers (as of October 16, 2011), the product specific training must be completed (sometime after January 1, 2011 and) before January 16, 2012, and the one-time, 4 credit-hour training course must be completed before April 16, 2012.</p> <p>For producers who obtain a life insurance line of authority after October 16, 2011, they must complete both PST and the CE training before selling an annuity product. (See § 26.778)</p>	October 16, 2011	Yes. 3AAC 26.778(g)	
Arizona					
Arkansas					
California	<p>NEW REQUIREMENT</p> <p>On September 21, 2011 Governor Brown signed into law CA Assembly Bill 689, adopting suitability standards for annuity transactions.</p> <p>Chapter 295 is effective January 1, 2012. While it generally follows the NAIC model regulation, California’s new standards are more aggressively 'consumer-oriented' and differ from the model regulation in a number of instances, including:</p> <ul style="list-style-type: none"> • One-time, 8-hour CE course; • “Recommendation” is defined to include not only advice but “guidance” as well; 	None	January 1, 2012	No	

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
	<ul style="list-style-type: none"> • Reciprocity is not recognized; • The “look back” for replacements and exchanges is 60 mos. rather than 36 mos. • List of suitability information includes whether the consumer has a reverse mortgage; • CE training must include “prohibited sales practices, the recognition of indicators that a prospective insured may lack the short-term memory or judgment to knowingly purchase an insurance product, and fraudulent and unfair trade practice • Prohibits producers from annuity sales to a person 65 or older if it would require the insured to pay a surrender charge and if the purchase of the annuity does not confer a “substantial financial benefit” over the life of the policy. • Insurer is responsible for compliance, without regard to contracted outside vendor • Sale of annuity must be reasonable under all circumstances actually known at the time (per Model) " which after reasonable inquiry should be known." • Model requires insurance producers to have a reasonable basis to believe that the consumer would benefit from “certain features of the annuity”; California Ch. 295 requires the producer to believe the consumer would “receive a 				

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
	tangible benefit from the transaction”				
Colorado	<p>NEW REQUIREMENT</p> <p>Regulation 4-1-11 can be found at: CO 3 CCR 702-4, Reg. 4-1-11</p> <p>Follows the NAIC suitability model regulation with only minor deviations.</p>	<p>According to George Mozealous, CO will apply the 6-month grace period to BOTH the general annuity CE and the PST. Colorado issued a bulletin or clarifying memorandum on 3/14/11 stating that producers who are licensed as of 4/1/11 have until 10/1/11 to complete BOTH training. Copy in file.</p>	<p>April 1, 2011.</p> <p>Compliance for annuity training (both the one-time, four-hour annuity training course and the product-specific training) is no later than October 1, 2011 for insurance producers who are licensed as of April 1, 2011.</p>	Yes, see Sec. 6. B.9.	X
Connecticut	<p>NEW REQUIREMENT</p> <p>CT Suitability in Annuity Transactions § 38a-432a-1 - 38a-432a-8</p> <p>New section relating to producer training: Connecticut Insurance Regulations, Title 38, § 38a-432a-8</p> <p>Regarding annuity training, proposed regulation is identical to NAIC Model Regulation</p>	<p>For producers licensed on the effective date of the legislation, six months to complete the one-time CE training. (Does not apply to PST.)</p>	<p>February 18, 2012</p> <p>For producers licensed as of February 18, 2012, they would have until August 18, 2012 to complete the CE training.</p>	Yes, § 38a-432a-8(b)(8)	X
Delaware					
District Of Columbia	<p>NEW REQUIREMENT</p> <p>DC Mun. Regs. 26-A84 (2011)</p> <p>See § 8404 related to producer training: §§ 8404.1 (PST) and 8404.2 (CE). § 8404.3 relates to the 6-month grace period for insurance producers who hold a life insurance line of authority on the effective date of this chapter to comply with the training requirements of both PST and CE—not only to the CE “subsection” per the model regulation.</p>	<p>Producers holding a life insurance line of authority prior to 6/24/11 would have until 12/24/11 to complete both PST and the CE annuity training; persons who become licensed on or after 6/24/11 must complete both training requirements prior to engaging in the sale of annuities.</p>	<p>Effective date of the new Chapter is December 24, 2011—six months after the date the rule becomes effective (6/24/11). See § 8407.1.</p>	Yes, § 8404.10	
Florida					
Georgia					
Hawaii	NEW REQUIREMENT	If licensed prior to January 31, 2012,	General effective date of bill is July	No. New rule is	

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
	<p>SB 1278/HB 1051—Hawaii 2011 Act 108—revises chapter 431 HI Rev. Stat. Article 10D to Adopt model regulations of National Association of Insurance Commissioners, in conformity with senior investor protections in section 989A of the federal Dodd—Frank Wall Street Reform and Consumer Protection Act of 2010.</p> <p>HI SB 1278 (Hawaii 2011 Act 108)</p>	<p>must complete the 4-hour CE annuity training and product-specific training by January 31, 2012; if licensed after 1/31/2012, may not sell annuity products until both PST and CE annuity training is completed.</p>	<p>1, 2011, except for sections pertaining to producer training—there, the effective date is January 1, 2012.</p>	<p>silent on reciprocity; however, Insurance Division Memo 2011-2LIC states that it will consider amendments to rule in 2012 that will adopt reciprocity provisions.</p> <p>Hawaii Memorandum 2011-2LIC</p>	
Idaho					X
Illinois	<p>NEW REQUIREMENT</p> <p>On September 13, 2011, the Illinois Joint Committee on Administrative adopted amendments to 50 Ill. Admin. Code 3120, relating to suitability in annuity contract transactions (substantively adopting the NAIC model regulation).</p> <p>50 Ill Admin. Code 3120</p> <p>Section 3120.60 relates to insurance producer training.</p> <p>50 ILL Admin. Code 3120.60</p>	<p>Producers who hold a life insurance line of authority have until July 1, 2012 to complete the new training requirements.</p> <p>As currently written, the proposed IL rule mirrors that of the NAIC model regulation, such that the grace period arguably applies to the CE training only.</p> <p>NAFA submitted a Comment to the IL DOI on 4/26/11 to conform 6-month grace period for both the PST and CE training and subsequently received notice dated 8/22/11 that it would adopt our suggestion; we are awaiting confirmation from the IL DOI regarding conformity of both training requirements.</p>	<p>Effective September 26, 2011.</p> <p>On October 31, 2011, the IL DOI issued a clarifying bulletin regarding when the amendments to the regulations would become operative: Producers who hold a life insurance line of authority have until July 1, 2012 to complete the training requirements. According to IL DOI Bulletin 2011-13, the insurer supervisory requirements become operative on July 1, 2012 as well.</p> <p>IL Company Bulletin 2011-13</p>	<p>Yes. § 3120.60(b)6.</p>	
Indiana	<p>NEW REQUIREMENT</p> <p>Indiana Enrolled Act 1015.</p> <p>Indiana 2011 Enrolled Act 1015</p>	<p>Applies to both types of annuity training: product specific and the 4-hour annuity training course.</p>	<p>This section is effective January 1, 2012.</p> <p>Currently-licensed insurance</p>	<p>Indiana’s new regulation recognizes reciprocity for non-</p>	X

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
	<p>Insurance producers must have “adequate knowledge of an annuity product to recommend the annuity product,” must comply with the insurer’s training standards for annuity products, and must have completed a single, 4-hour annuity training course that is conducted through a structured setting or self-study method and approved by the department. See IC 27-1-15.6-19.5.</p>		<p>producers have until July 1, 2012 to complete both the general annuity training and the product-specific training requirements. Producers who obtain a life qualification on or after January 1, 2012, must complete the training prior to the sale of an annuity product. Prior to allowing a producer to sell its annuity products, insurers are required to verify the producer has completed the mandated training.</p>	<p>resident producers but does not overtly state that resident producers may satisfy the CE requirement by taking an out-of-state course; however, according to Chet Pietras, the IN DOI will recognize CE courses from outside of IN as long as the course is on the Department’s approved course list.</p>	
<p>Iowa</p>	<p>NEW REQUIREMENT</p> <p>Iowa Admin. Code 191-15.72</p> <p>Iowa Administrative Code 191-15.72 requires both PST and a one-time 4-hour CE training for insurance producers prior to selling or soliciting any annuity product in Iowa—there is no 6 month grace period for either type of training.</p>	<p>Iowa does not recognize a 6-month grace period for either type of annuity training</p>	<p>January 1, 2011</p>	<p>Yes, § 191-15.72(2)h</p>	
<p>Kansas</p>					
<p>Kentucky</p>	<p>Revisions to 806 KAR 12:120, relating to Suitability in Annuity Transactions have been adopted. Product specific training is included in 806 KAR 12:120, Sec. 3(6)(a)3, requiring the insurer to “provide product-specific training and training materials which explain all material features of its annuity products to its licensees.”</p>	<p>There is no grace period for the PST.</p> <p>As proposed in 806 KAR 9:220, the six-month grace period applies to the one-time, 4-hour CE training only.</p>	<p>January 1, 2012</p> <p>As proposed in 806 KAR 9:220, Sec. 5(3)(c) and (d), the 4-hour Annuity Training CE would need to be completed by 7/1/2012, if the producer is licensed prior to the January 1, 2012 effective date; the deadline is 1/1/2012 if licensed on or after effective date.</p>	<p>Yes, see Sec. 5(3)(f)</p>	

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
	As of 10/28/11, the proposed revisions to 806 KAR 9:220 , relating to Continuing Education requirements for annuity sales, have not been adopted.				NOTE: There is no reference to PST training, just the one-time, four-hour CE.
Louisiana					
Maine					
Maryland	<p>NEW REQUIREMENT</p> <p>Maryland Regulation 31.09.12 Suitability in Annuity Transactions-</p> <p>MD Reg 31.09.12 (Final Published 5.06.11)</p> <p>Per insurance producer training, the proposed language is slightly different than that of the NAIC model: Based on the language construction of the new MD regulation, arguably the “Dates by Which Training Must be Met” (see 31.09.12.08C) applies to BOTH the PST and the CE training.</p>	Applies to both PST and CE training.	November 1, 2011.	Yes. § 31.09.08.J.	Insurance producers who hold an insurance producer license on the effective date will have until May 1, 2012 to complete the training requirements.
Massachusetts					
Michigan	<p>PROPOSED</p> <p>MI HB 4328</p> <p>Michigan House Bill 4328 introduced on 2/24/11 and filed on 2/25/11. Currently (as of 10/31/11) in Committee on Insurance.</p> <p>Language mirrors NAIC model regulation as it relates to Insurance Producer Training. See proposed section 4160 (to Michigan Insurance Code).</p>				n/a
Minnesota	<p>PROPOSED</p> <p>MN House Bill 1134 was introduced on 3/14/11 and was passed out of the Commerce and Regulatory Reform Committee on 4/18/11 and placed on</p>	6-month grace period applies to one-time, 4-hour annuity training course only (subd. 2).			If adopted, the effective date of the bill is January 1, 2012—the grace period would run until June 30, 2012

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
	<p>House Calendar. Author: Rep. Hoppe (R). (Companion bill in Senate—SF 877)</p> <p>Revises Minn. Statutes Chapter 72A</p> <p>On 5/23/2011, per House rule, HB 1134 was returned to the Commerce and Regulatory Reform Committee. On 4/14/2011, SF 877 was returned to the Senate Commerce and Consumer Protection Committee.</p> <p>As of 10/31/2011, neither bill had passed out of the respective chamber.</p>				
Mississippi					X
Missouri					
Montana					
Nebraska					
Nevada					X
New Hampshire					
New Jersey	<p>NEW REQUIREMENT</p> <p>New Jersey adopted amendments and additions to the New Jersey Administrative Code (NJAC 11:2-23.5; 11:4-59) on May 2, 2011, related to suitability in annuity transactions.</p> <p>The new regulations require insurers to establish supervision procedures that include insurance producer training and monitoring and require producers to adopt the insurer's system of supervision and maintain a system to ensure compliance with the suitability requirements (see 11:4-59.6), but the new standards deviate from the Model Regulation in that they do not explicitly require either annuity CE training or PST.</p>	n/a	June 6, 2011	n/a	

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
<p>NJ Admin Code (go to Title 11: Insurance) (follow links to Chapters 2 and 4, subchapters 23.5 and 59, respectively)</p>					
New Mexico					
New York	<p>NEW REQUIREMENT</p> <p>11 NYCRR 224</p> <p>On June 22, 2011, NY Superintendent of Insurance James Wrynn adopted an emergency measure, Rule 187, requiring insurers to train all agents who solicit and sell annuity products. Annuity training is not required by Emergency Regulation 187, however.</p> <p>NY Emergency Regulation 187</p> <p>Assembly Bill 563 was introduced in the NY State Assembly on January 15, 2011. The Bill is currently in the Committee on Insurance. No recorded votes have been taken.</p> <p>The bill would require that an insurance licensee complete 3 hours of education annually on the subject of Suitability in Annuity and Life Insurance Transactions (amending § 2132(2) of the NY Insurance Code). There is no product-specific training required.</p> <p>The bill does not prescribe any course content, nor does it include any statements on CE reciprocity, training deadline, or training verification requirement.</p>	n/a	<p>Emergency Rule 187 effective date is June 30, 2011.</p> <p>(The effective date of the AB 563 is January 1, 2012, according to the NY legislature’s website; however, the effective date in the bill is listed as 01/01/2013. We list here the earlier of the two dates.)</p> <p>NOTE: The hourly requirements contained in the bill would supersede the emergency regulation; however, the NY legislature adjourned sine die on June 24, 2011 and is now in recess.</p> <p>Emergency Rule 187 requires insurers to ensure that producers are “adequately trained,” but does not explicitly require PST or general annuity training.</p>	n/a	
North Carolina					

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
North Dakota	<p>NEW REQUIREMENT</p> <p>North Dakota legislature passed HB 1160, amending Title 26.1 of the North Dakota Century Code. Adds new section: 26.1-34.2 relating to insurance producer training. Language mirrors NAIC model regulation.</p> <p>ND Ch. 26.1-34.2 Annuity Transaction Practices</p>	<p>ND provides a 12-month grace period for insurance producers who are licensed as of the effective date of the Act.</p> <p>An insurance producer who holds a life insurance line of authority on August 1, 2011, and who desires to sell annuities shall complete the requirements of this subsection within twelve months after August 1, 2011.</p> <p>An individual who obtains a life insurance line of authority on or after August 1, 2011, may not engage in the sale of annuities until the annuity training course required under this subsection has been completed.</p>	August 1, 2011	Yes, § 26.1-34.2-03.1.2.e	
Ohio	<p>NEW REQUIREMENT</p> <p>On 2/3/11 Ohio adopted an amended version of Rule 3901-6-13 to bring Ohio into compliance with the Frank-Dodd Act. 3901-6-13(G) encompasses the insurance producer training and generally mirrors the NAIC model regulation.</p> <p>Ohio 3901-6-13</p>	Applies only to the one-time, 4-hour annuity training course.	7/1/11 – 6 month grace period ends 1/1/12.	Yes, § 3901-6-13(G)(2)(h). Although the language addresses only OH non-resident producers, the Department issued a bulletin clarifying that reciprocity applied to both resident and non-resident producers.	X
Oklahoma	<p>NEW REQUIREMENT</p> <p>Insurance producers licensed prior to July 14, 2010, with an active life line of authority and who sell, solicit or negotiate annuity products have until July 14, 2011, to complete the one-time, 4 hour annuity training requirement. Producers who become licensed or add a life line of authority on or after July 14, 2010, and desire to sell annuity products, must complete the training prior to selling,</p>	12-month grace period applies to 1-time/4-hour CE annuity training.	<p>Effective date: July 14, 2010</p> <p>Grace period ends: July 14, 2011</p>	Yes, 365:23-3-21(d)	

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
	<p>soliciting, or negotiating such products.</p> <p>OK 365: 25-3-1 (scroll to 365:25-3-21 for annuity training requirements)</p>				
Oregon	<p>NEW REQUIREMENT</p> <p>OAR 836-080-0170 – 0193 (Ins. Producer training: OAR 836-080-0183)</p> <p>Oregon adopted the NAIC model regulation on February 4, 2011. Generally mirrors language of model regulation as it relates to insurance producer training, but effective date/operative date is included in separate section and applies to the entire insurance producer training section, including both PST and the CE training.</p> <p>OAR 836-080-0001 (Scroll to 0170)</p>	<p>For already licensed insurance producers, six-month grace period applies to both PST and one-time/four-hour annuity training CE course. See OAR 836-080-0193(2).</p> <p>If licensed before August 1, 2011, producer has six months from July 1, 2011—until January 1, 2012—to complete the training.</p>	July 1, 2011	Yes	
Pennsylvania					
Rhode Island	<p>NEW REQUIREMENT</p> <p>RI Insurance Regulation 12</p> <p>Language related to insurance producer training is identical to the NAIC model regulation.</p>	<p>6 month grace period applies to annuity training for producers who hold a Rhode Island life insurance line of authority as of June 1, 2011.</p>	<p>June 1, 2011</p> <p>If insurance producer holds a life insurance line of authority prior to 6/01/11 and desires to sell annuities, must complete training by 12/01/11</p>	Yes, § 7.B.(8)	
South Carolina	<p>NEW REQUIREMENT</p> <p>South Carolina Code of Regulations 69-29, Section VI. Insurance Producer Training.</p> <p>SC Code 69-29</p>	<p>Applies to CE training only.</p>	<p>September 25, 2011</p> <p>Insurance producers licensed to sell, solicit, or negotiate annuities prior to 9/25/11 must complete one-time, 4-hour annuity training course by 3/25/12 in order to continue to sell annuities.</p>	Yes, Sec. VI.B.(8)	
South					X

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
Dakota					
Tennessee	<p>PROPOSED</p> <p>TN Ch. 0780-01-86 (existing rule)</p> <p>TN Proposed Annuity Suitability Rules</p> <p>Mirrors language of NAIC model regulation as it relates to insurance producer training.</p>	As written, would apply to both PST and one-time, 4-hour CE training.	TBD (would take effect six months after chapter is enacted)	Yes § 0780-01-86-.07(2)(h)	
Texas	<p>NEW REQUIREMENT</p> <p>Tex. Ins. Code § 1115.056.</p> <p>On June 17, 2011 HBs 2154 and 2277 were signed into law, adopting, in general, the NAIC model regulation. Texas HB 2154 Texas HB 2277</p> <p>Effective 9/1/11, Texas producers must complete EIGHT hours of CE that specifically relates to annuities during the agent's two-year licensing period. This changes the previous requirement slightly, which required four hours <i>annually</i>—thus, an agent could take all 8 hours in one year, or could otherwise split the 8 hours up in some other fashion over the course of two years. Also, Texas adopted the NAIC model regulation requiring the one-time, 4-hour annuity CE training course; however, this CE training course may be used to satisfy the 8 hour/biennial CE training requirements and is not in addition to those CE requirements.</p>	<p>If you are a Texas-licensed agent before September 1, 2011 (the Act's effective date), you have until March 1, 2012 to complete the PST and one-time, 4-hour annuity training; if you become licensed on or after September 1, 2011, you must complete the new training requirements prior to selling annuities.</p> <p>However, the new suitability requirements (Chapter 1115 of the Texas Insurance Code) do not become effective until June 1, 2012. Any recommendation made before June 1, 2012 to purchase, exchange, or replace an annuity contract, and a transaction arising from that recommendation, are governed by the law in effect immediately before the effective date of the Act and that law is continued in effect for that purpose.</p>	9/01/11	Yes, § 1115.056(i)	X
Utah	<p>PROPOSED RULE CHANGE</p> <p>Utah is currently proposing changes to Utah Admin. Code R590-230, Suitability in Annuity Transactions.</p>		The commissioner will begin enforcing the provisions of this rule 60 days from the rule's effective date (TBD).		X

STATE	CE Annuity Training and Product-Specific Training	Application of 6-month grace period for Existing Producers	Effective Date	Reciprocity	CE Course Approval
	<p>Utah Rule R590-230 (existing rule)</p> <p>Would add new section, R590-230-6, related to Producer Training, but only generally addresses PST; the proposed rule changes do not include the 4-hour CE annuity training requirement.</p>				
Vermont					
Virginia					X
Washington					
West Virginia	<p>NEW REQUIREMENT</p> <p>West Virginia Code of State Rules, 114-11B – Suitability in Annuity Transactions WV Rule 114-11B (open PDF link)</p> <p>Producers licensed to sell, solicit, or negotiate annuities prior to 07/01/11 must complete a one-time, 4-hour annuity training course by 12/31/11 in order to continue to sell annuities. §114-11B-6.1 NOTE: The insurance producer training section does not include language related to product-specific training (except that PST cannot be used toward the 4-hour annuity training requirement).</p> <p>Language related to product-specific training is found in §114-11B-5.6.a.3., requiring the insurer to provide product-specific training and materials.</p>	<p>Applies to one-time, 4-hour CE training only.</p>	<p>July 1, 2011</p> <p>Current insurance producers have until December 31, 2011 to complete the one-time, 4-hour CE annuity training.</p>	<p>Yes</p> <p>§ 114-11B-6.4</p>	
Wisconsin	<p>NEW REQUIREMENT</p> <p>§ 628.347, Wis. Stats (2011) establishes suitability in annuity transactions, closely following the NAIC suitability model regulation.</p> <p>Wis. Stats. Ch. 628 (scroll to 628.347)</p>	<p>6-month grace period applies to one-time, 4-hour CE training only.</p> <p>“There is no delayed effective date for whatever product specific training is developed and required by insurers.”</p>	<p>May 1, 2011</p> <p>Producers licensed to sell annuities as of this date have until November 1, 2011 to complete the one-time CE training course.</p>	<p>Yes</p> <p>§ 628.347(4m)(b)8.</p>	
Wyoming					X

