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NCOIL SUPPORTS NAIC SUITABILITY MODEL, RECOMMENDS TO STATES

Washington, DC, March 6, 2011—With a goal of gaining optimum protection of insurance consumers and ensuring suitable annuity sales, the National Conference of Insurance Legislators (NCOIL) today endorsed a National Association of Insurance Commissioners (NAIC) *Suitability in Annuity Transactions Model Regulation*.

NCOIL President Rep. George Keiser (ND) said, “Endorsement of the NAIC model is in line with state legislators’ efforts to promote transparency and accountability in the sale of life insurance products. Now, more than ever, we feel that disclosure is paramount for consumers, who are struggling to secure their and their families’ present and future financial well-being.”

Rep. Keiser went on to add that “Support for the model is another vital step in ongoing NCOIL efforts to work with key groups of state officials to enhance state modernization. NCOIL hopes to achieve further consensus and will work to support the model’s enactment in the states. This collaborative effort will evidence once again to Congress that states are successfully regulating the business of insurance.”

Legislators, by unanimous vote of the Executive Committee today, adopted an NCOIL *Resolution in Support of Expanding Annuity Suitability Requirements*. The resolution urges states to enact a 2010 version of the NAIC model, which enhances insurer and agent responsibility and accountability and authorizes state regulators to take action against unsuitable recommendations. Specifically, the model clarifies that insurers are responsible for producer compliance, requires review of all recommended annuity transactions, and increases producer training requirements.

Support of the model follows NCOIL 2010 adoption of a *Beneficiaries’ Bill of Rights and Life Insurance Consumer Disclosure Model Act*, which strengthen insurer disclosures regarding death benefit options.

The 2011 Spring Meeting took place from March 4 through 6 at the Hyatt Regency on Capitol Hill.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

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