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**NCOIL Annual Meeting**  
**November 17-20, 2021**  
[\*\*REGISTER NOW\*\*](#)



Rep. Matt Lehman, IN  
President



Thomas B. Considine  
NCOIL CEO



Asm. Ken Cooley, CA  
Vice President

## **New Best Interest Rule on Annuity Sales Raises Standards for Producers\***

**By Julie Harrison, Government Affairs – State Chapter Director, National Association of Insurance and Financial Advisors (NAIFA)**

Recently, an insurance carrier in California was fined \$150,000 stemming from an accusation that an 86-year-old woman purchased an annuity she did not understand. Annuities are complex insurance products. That is why NAIFA (National Association of Insurance and Financial Advisors) has prioritized working with states to adopt the enhanced best interest standard that was recently incorporated into the NAIC (National Association of Insurance Commissioners) Suitability in Annuity Transaction Model Regulation.

The best interest standard simply states that insurance producers must put the interest of their clients in front of their own. The following states have adopted the enhanced standard: Alabama, Arkansas, Arizona, Connecticut, Delaware, Iowa, Idaho, Maine, Michigan, Montana, Nebraska, North Dakota, Rhode Island, Texas, Virginia, and Connecticut. States with pending proposals include Nevada, Pennsylvania, and Kentucky.

Some states are adopting the enhanced standard with updated regulations, while others are pursuing it legislatively. Lawmakers in states that have not started considering their own best interest standard in annuity transactions should be made aware of the benefits it provides. This enhanced measure strikes the appropriate balance between protecting consumers, promoting market competition, and avoiding over-regulation. The standard rejects a fiduciary-only approach, thus safeguarding the ability of working-class savers to access the financial guidance to plan for their financial futures. It protects consumer choices, choices in competitive products, and choices in trustworthy options for retirement planning. Further, it aligns well with its federal counterpart – SEC's Regulation Best Interest. Together these two initiatives will significantly enhance protections for consumers across the country who seek guaranteed lifetime income in retirement through annuities.

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\*This column is a submission of the Industry Education Council (IEC) and reflects the IEC's perspective on the issue(s) discussed. The views, thoughts, and opinions expressed in the column do not necessarily reflect those of NCOIL.



Asm. Kevin Cahill, NY  
Treasurer



Rep. Joe Fischer, KY  
Secretary



Sen. Jason Rapert, AR  
Immediate Past President



Sen. Travis Holdman, IN  
Immediate Past President

## NCOIL Highlights Life Insurance Awareness Month

### Urges the Importance of Protecting Loved Ones

Manasquan, NJ – Congress has designated September as “National Life Insurance Awareness Month”. The National Council of Insurance Legislators (NCOIL) applauds this designation. NCOIL focuses on this campaign to serve as a reminder to families of the value of life insurance and encourage them to perceive life insurance as an investment into their families’ security.

NCOIL President, IN Rep. Matt Lehman stated, “Now more than ever, Americans need to be reminded to include life insurance in their financial plans. The COVID-19 pandemic continues to create devastating outcomes for many. Families without life insurance could experience not only immeasurable emotional pain but also severe financial hardship.

NCOIL CEO, Commissioner Tom Considine said, “The past 18 months have made clear that unexpected events are part of life as we know it. Two common perceptions surrounding life insurance are that it is expensive and that it is not needed. However, many people can be insured for the price of a daily cup of coffee. Talk to your financial representative for a quote and work within your budget for a plan that is best for you. People of all ages are falling victim to COVID and everything can change in an instant. Everyone should understand the benefits of life insurance and the risks of going without it.”

Additional information and resources about Life Insurance Awareness Month can be found at <https://lifehappenspro.org/life-insurance-awareness-month>.

## NCOIL Summer Meeting Minutes Available Now



**SUMMER MEETING MINUTES  
NOW AVAILABLE**

**CLICK HERE FOR MORE INFO**

## Future NCOIL Meetings:

Annual 2021  
November 17—20  
Scottsdale, AZ

Spring 2022  
March 3—6  
Las Vegas, NV

Summer 2022  
July 13—16  
Jersey City, NJ

Annual 2022  
November 16—19  
New Orleans, LA

Spring 2023  
March 9—12  
San Diego, CA

## IEC Column Cont'd

Selling annuities is not a transactional business, it is a relationship business. Trust is the fundamental component of the producer/client relationship when annuities are being considered. Such products are complex, so trust is vital. Consumers will benefit from this enhanced standard.

One of the most critical elements of the NAIC model is that it clearly defines the benchmarks that producers must meet to satisfy the obligation to the clients. These include Care; Disclosure; Conflict of Interest, and Documentation. To satisfy the four obligations, when making a recommendation, producers must:

- Know the consumer's financial situation, insurance needs, and financial objectives.
- Understand the available recommendation options.
- Have a reasonable basis to believe the recommended option effectively addresses the consumer's financial situation, insurance needs, and financial objectives.
- Communicate the basis of the recommendation to the consumer.
- Disclose their role in the transaction, products they are licensed and authorized to sell, source of their compensation, and any material conflicts of interest.
- Document, in writing, any recommendation and the justification for such recommendation.

NAIFA's Policy Director Maeghan Gale says that annuities are a powerful tool in planning for a secure retirement and include a unique benefit of offering a guaranteed lifetime income stream in retirement.

"As Americans are living longer, retirement is also lasting longer," Gale said. "Annuities will continue to be an increasingly critical piece to ensuring financial security during retirement."

"The model now requires insurers to establish and maintain reasonable procedures to identify and eliminate any sales contests, sales quotas, bonuses, and non-cash compensation that are based on sales of specific annuities within a limited period," Gale said.

The enhanced rules also align with NAIFA's Producer Code of Ethics, requiring members to put their clients' interests first. To NAIFA members, this is really the industry catching up to where we have been, as people whom clients place their trust and confidence. This really highlights that the model aligns well with the best practices of the industry and strikes a harmonious balance between consumer protection and while maintaining broad access to products, services, and advice for all Americans.

*Founded in 1890, NAIFA represents the interests of more than 20,000 licensed insurance agents and financial advisers across the country. Ninety percent of NAIFA members serve middle-income clients and/or lower-income individuals and families. NAIFA members advocate at both the state and federal levels to ensure that policymakers hear directly from advisors and agents that serve Main Street USA.*

## **NCOIL Urges Congress to Pass NFIP Reauthorization Legislation**

**Congressional Action Must be Taken Before Current NFIP Reauthorization Expires on Sep. 30**

Manasquan, NJ- The National Council of Insurance Legislators (NCOIL) urges a timely reauthorization of the National Flood Insurance Program (NFIP) before its expiration on September 30th.

“As we enter the second half of an already incredibly active hurricane season, it is essential that Congress pass, and President Biden signs, legislation reauthorizing the NFIP so that millions of consumers don’t lose access to affordable flood coverage. Consumers must be protected, especially during such a damaging hurricane season,” said IN Rep. Matt Lehman, NCOIL President.

“We urge swift reauthorization of the NFIP to avoid any disruption to consumers and their homes, businesses, and personal property. Further, this proverbial kicking the can down the road through a series of short-term extensions must stop. Congress and the President must come together to finally pass a long-term reauthorization of the NFIP that ensures consumers are protected and creates an environment for the private flood insurance market to work in tandem with the NFIP,” said Commissioner Tom Considine, NCOIL CEO.

### **INTERIM MEETING OF ARTICLES OF ORGANIZATION & BYLAWS REVISION COMMITTEE**

**FRIDAY, OCTOBER 8, 2021 • 12:00 P.M. - 1:00 P.M. (EST)**

**CLICK HERE FOR MORE INFORMATION**

Chair Shawn Vedaa (Sen. – ND) will be hosting an interim Zoom meeting of the NCOIL Articles of Organization & Bylaws Revision Committee on Friday, October 8th from 12:00 p.m. to 1:00 p.m. (EDT).

The purpose of the interim meeting is for the Committee to discuss proposed amendments to the NCOIL Articles of Organization & Bylaws in advance of its meeting in Scottsdale, AZ during the 2021 NCOIL Annual Meeting.

You can view all material and register [here](#). Please submit any questions or comments to NCOIL General Counsel Will Melofchik at [wmelofchik@ncoil.org](mailto:wmelofchik@ncoil.org).

This meeting will be conducted via Zoom. Meeting ID and Password information will be provided to you via-email upon registering.

## REGISTRATION FOR NCOIL ANNUAL MEETING IS OPEN

Registration for the 2021 NCOIL Annual Meeting at the Westin Kierland in Scottsdale, AZ from November 17th—20th is open.



*See a tentative schedule on page 5 or view at the NCOIL website [here](#)*

**DON'T FORGET TO BOOK YOUR HOTEL!!!**

*The hotel block closes on **September 25th***

**Legislators book here:**



**General Participants book here:**



**\*Please note that there will be a resort fee of \$25 per day for all corporate rooms**



**REGISTER NOW**

**[CLICK HERE](#)**



**Reminder that Contributing States are eligible for two legislator stipends per National Meeting to help underwrite the cost of participating.  
Click below for more information**

**Please call the NCOIL office at 732-201-4133 with any questions.**

## **LEGISLATOR STIPENDS NOW AVAILABLE FOR CONTRIBUTING STATES**

**CLICK HERE FOR MORE INFORMATION**

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### **NCOIL One on One**

Our next segment of NCOIL One on One with LA Representative Edmond Jordan is out now, click on the link [here](#) to learn more about your fellow NCOIL Member.

If you haven't had a chance to watch previous interviews with NCOIL President, IN Representative Matt Lehman, NY Assemblywoman Pam Hunter, OH Sen. Bob Hackett, AR Rep. Deborah Ferguson, and ND Sen. Jerry Klein please visit our YouTube channel [here](#).

Thank you to everyone who has participated so far!

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### **Don't Miss the NCOIL YouTube Channel: Subscribe Today**

Weren't able to attend our past meetings? Good news— you can visit our YouTube channel for recordings of past meetings. Sessions from the Summer Meeting in Boston are posted on our YouTube channel now.

Visit the link below to subscribe to view past meetings, watch our NCOIL One-on-One episodes to get to know NCOIL legislators better, and to keep up to date on all things NCOIL!

<https://www.youtube.com/channel/UCe09Z77z4q6HG1kv3fDG7Bg>

## NCOIL 2021 ANNUAL MEETING TENTATIVE SCHEDULE

### WEDNESDAY, NOVEMBER 17TH

|                   |         |   |         |
|-------------------|---------|---|---------|
| Budget Committee  | 5:30 PM | - | 6:00 PM |
| Welcome Reception | 6:00 PM | - | 7:00 PM |

### THURSDAY, NOVEMBER 18TH

|  |          |   |          |
|--|----------|---|----------|
| Welcome Breakfast                                      | 8:15 AM  | - | 9:45 AM  |
| Networking Break                                       | 9:45 AM  | - | 10:00 AM |
| Health Insurance & Long Term Care Issues Committee     | 10:00 AM | - | 11:30 AM |
| NCOIL Innovation Series                                | 11:30 AM | - | 12:45 PM |
| The Institutes Griffith Foundation Legislator Luncheon | 12:45 PM | - | 1:45 PM  |
| Financial Services & Multi-Lines Issues Committee      | 1:45 PM  | - | 3:00 PM  |
| Networking Break                                       | 3:00 PM  | - | 3:15 PM  |
| Workers Compensation Insurance Committee               | 3:15 PM  | - | 4:30 PM  |
| Nominating Committee (Members Only)                    | 4:45 PM  | - | 5:15 PM  |
| CIP Member & Sponsor Reception                         | 5:00 PM  | - | 6:00 PM  |

### FRIDAY, NOVEMBER 19TH

|   |          |   |          |
|---|----------|---|----------|
| Life Insurance & Financial Planning Committee         | 9:00 AM  | - | 10:30 AM |
| Networking Break                                      | 10:30 AM | - | 10:45 AM |
| NCOIL—NAIC Dialogue                                   | 10:45 AM | - | 12:00 PM |
| Luncheon with Keynote Address                         | 12:00 PM | - | 1:30 PM  |
| Health General Session                                | 1:30 PM  | - | 2:45 PM  |
| Networking Break                                      | 2:45 PM  | - | 3:00 PM  |
| Property & Casualty Insurance Committee               | 3:00 PM  | - | 4:30 PM  |
| Articles of Organization & Bylaws Revisions Committee | 4:30 PM  | - | 5:00 PM  |
| IEC Board Meeting                                     | 5:00 PM  | - | 5:45 PM  |

### SATURDAY, NOVEMBER 20TH

|  |          |   |          |
|--|----------|---|----------|
| General Session  | 9:00 AM  | - | 10:15 AM |
| Networking Break   | 10:15 AM | - | 10:30 AM |
| Joint State-Federal Relations & International Insurance Issues Committee | 10:30 AM | - | 12:00 PM |
| Business Planning Committee & Executive Committee                        | 12:00 PM | - | 1:00 PM  |