

SMALL DRAFTING GROUP PRODUCER TRAINING FAQs (FINAL)

Q: Are there new producer training obligations under the revised model?

A: Yes, all producers must complete a one-time training course that covers general annuity principles – including the types and uses of annuities, how annuity contract features affect consumers, and tax implications – as well as information about the new standard of conduct and the other requirements of the revised model. The specific training required depends on what prior training the producer has completed.

Q: How can a producer satisfy the training requirements in the revised model?

A: A producer who has completed the annuity training requirements under the prior version of the model must complete either a new four-credit training course that meets the requirements of the revised model or the one-credit training course that focuses on the new sales practices, replacement and disclosure requirements established by the revised model. Courses must be approved by the insurance department.

A producer who has NOT completed the annuity training requirements under the prior version of the model must complete the four-credit training course that meets the requirements of the revised model. Producers who have not completed the annuity training requirements under the prior version of the model may not satisfy the training requirement by taking only the one-credit training course.

Q: Does the training requirement apply to producers who are registered with FINRA?

A: Yes, all producers who engage in the sale of annuities, including those registered with FINRA, must complete the training required by the revised model.

Q: When must producers complete the training requirements in the revised model?

A: A producer who has completed the annuity training requirements under the prior version of the model has six months to take the required training. Such producers may continue to recommend and sell annuities during the six-month grace period.

A producer who has NOT completed the annuity training requirements under the prior version of the model must complete the required training before engaging in the sale of annuities.

Q: What are the consequences of failing to satisfy the training requirements of the revised model?

A: A producer who fails to satisfy the training requirements is not permitted to recommend or sell annuities. A producer who recommends or sells annuities without completing the required training may face enforcement action by the insurance department.

Q: Can a producer requalify to recommend and sell annuities after failing to satisfy the training requirements of the revised model within the six-month grace period?

A: Yes, a producer who has completed the training required under the prior version of the model can requalify to recommend and sell annuities by completing the new four-credit training course prior to recommending or selling annuities.

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- Q. If a producer already completed the new training in another state, will they have to retake the training in every state where they may recommend or sell annuities?
- A. No, completion of substantially similar training in one state satisfies the training requirement in other states. Producers are not required to take the new training multiple times.
- Q. Do producers have to wait for the revised model to take effect in a particular state before taking the new required training?
- A. No, a producer can take the training at any time as long as the course they take has been approved by the insurance department in a state where the producer is licensed.
- Q. Will a producer get CE credit for taking the new training?
- A. A producer who completes the required training will receive CE credit only if the course was approved by their resident state prior to the date the course was taken and the course provider submits a roster and all applicable fees to the insurance department in the producer's resident state.
- Q. Can a producer satisfy the training requirements by taking a longer course that covers the required training plus additional content?
- A. Yes, the revised model states that a producer can also satisfy the training requirement by completing any course that is approved by the insurance department and includes components that are substantially similar to the one-credit or four-credit training course.
- Q. Will completion of a course that meets the requirements of the revised model also satisfy the training requirement under the prior version of the model in a state which has not yet adopted the revised model?
- A. Yes, completion of the new four-credit training course (but not the one-credit training course) will satisfy the training requirements under the prior version of the model. The new course includes all of the topics that were required to be covered under the prior version of the model (with information on the new requirements established by the revised model). A producer who has completed this course is not required to also complete a course that satisfies the prior version of the model in states that have not yet adopted the revised model.