



September 30, 2019

**Submitted Electronically to:**

The Honorable Jillian Froment  
Director of Ohio Department of Insurance  
Chair, NAIC Annuity Suitability (A) Working Group  
50 West Town Street, 3rd Floor, #300  
Columbus, OH 43215

The Honorable Doug Ommen  
Iowa Insurance Commissioner  
Vice Chair, NAIC Annuity Suitability (A) Working Group  
Two Ruan Center  
601 Locust, 4th Floor

NAIC Annuity Suitability (A) Working Group  
c/o Jolie H. Matthews  
National Association of Insurance Commissioners  
Hall of the States Building, Suite 700  
444 North Capital Street, N.W.  
Washington, D.C. 20001-1512

**Re: Comments Regarding Proposed Edits to the Suitability in Annuity Transactions Model Regulation (#275)**

Dear Director Froment, Commissioner Ommen and Ms. Matthews:

Nationwide appreciates the opportunity to provide feedback to the National Association of Insurance Commissioners' ("NAIC") Annuity Suitability (A) Working Group ("Working Group") regarding the latest revisions to the Suitability in Annuity Transactions Model Regulation (the "Draft Model"). As we have previously shared, Nationwide recognizes that the regulatory framework overseeing recommendations of annuity contracts to consumers must evolve to keep pace with financial innovations, changing business models, and the demands of consumers. Nationwide supports the NAIC's efforts to amend the Model.

## ***About Nationwide***

Nationwide, a Fortune 100 company based in Columbus, Ohio, is one of the largest and strongest diversified insurance and financial services organizations in the United States. Nationwide is rated A+ by both A.M. Best and Standard & Poor's. An industry leader in driving customer-focused innovation, Nationwide provides a full range of insurance and financial services products including auto, business, homeowners, farm and life insurance; public and private sector retirement plans, annuities and mutual funds; excess & surplus, specialty and surety; pet, motorcycle and boat insurance.

## ***Comments***

Nationwide has consistently advocated that the NAIC harmonize requirements of the Draft Model with the SEC's now-adopted Regulation Best Interest ("Reg. BI") and we appreciate the effort to do so in the the NAIC's latest revisions to the Model. Nationwide supports that the Draft Model includes a "best interest" standard and articulates the four aspects of what qualifies as "best interest" (i.e., care, disclosure, conflicts and documentation). Nationwide supports requirements that are tailored to products and distributions rather than a "one-size-fits-all" approach and appreciates that the Draft Model remains tailored in scope to recommendations to purchase, exchange or replace an annuity.

We also appreciate the recognition of safe harbors, where appropriate, including proposed modifications to the existing FINRA safe harbor intended to align with Reg. BI, and we continue to advocate for adding a carve out for those advisers already subject to a fiduciary standard of care, including registered investment advisers (RIAs) and investment adviser representatives (IARs). Furthermore, Nationwide supports of the "Potential Revisions to the FINRA Safe Harbor" proposed in the IRI's comment letter that would apply to recommendations and sales of annuities made by "Financial Professionals" in compliance with "Comparable Standards" (as defined in IRI's submission).

In addition to our comments here, Nationwide lends its support to the comments submitted by the joint trades, including the American Council of Life Insurers (ACLI), the Committee of Annuity Insurers (CAI), the Insured Retirement Institute (IRI) Indexed Annuity Leadership Council (IALC), the National Association of Fixed Annuities (NAFA), and The National Association of Insurers and Financial Advisors (NAIFA).

## ***Conclusion***

Our commitment to acting in the best interest of our clients has always been part of our mutual heritage, and will continue to be at the core of our values. Therefore, Nationwide supports the NAIC's efforts, and urges you to take action consistent with the comments detailed above. Nationwide believes that if the NAIC takes a coordinated approach to implementing a best interest standard, it will ultimately facilitate a long-term regulatory solution that promotes the best interest of U.S. consumers.

If you have questions about anything in this letter please feel free to contact me as a Nationwide Government Relations representative at 614-249-4669 or via email at [joe.nowak@nationwide.com](mailto:joe.nowak@nationwide.com).

Sincerely,

/s

Joseph Nowak  
Senior Director of Advocacy and Public Policy  
Nationwide Financial