

## ANNUITY SUITABILITY BEST INTEREST TRAINING FAQ'S

### **If you do not sell annuities in Virginia, you do not need to take any further action.**

Rules Governing Suitability in Annuity Transactions ([14VAC5-45](#) of the Virginia Administrative Code) have changed. The effective date of the revised Rules is September 1, 2022. It includes several new definitions and requires; (1) insurers and agents to follow specified best interest obligations when recommending an annuity; (2) agents to use consumer disclosure forms; and (3) agents to complete annuity suitability training which includes the best interest standard.

Agents licensed prior to September 1, 2021 who sell annuities in Virginia must complete a one-time one-hour course which includes the best interest standard by March 1, 2022. Agents licensed on/after September 1, 2021, must complete a one-time four-hour course which includes the best interest standard prior to engaging in the sale of annuities in Virginia. Starting September 1, 2021, licensees can lookup available courses at [www.sircon.com/virginia](http://www.sircon.com/virginia).

Insurers are responsible for verifying that an agent selling an annuity product in Virginia on their behalf, on or after September 1, 2021, has completed the requisite Annuity Suitability Best Interest training. (See 14 VAC 5-45-45 B 11 of the Virginia Administrative Code.)

### **FAQ's**

- **When does the new Annuity Suitability Best Interest training requirement become effective?**

The new requirement was adopted September 1, 2021 and is effective March 1, 2022.

- **Who must take this training?**

All resident producers who engage in the sale, solicitation, or negotiation of annuity products, and those non-residents who have not completed substantially similar training including the Best Interest standard in another state must complete a Virginia approved course.

- **Where do I find a list of approved annuity suitability training courses?**

Starting September 1, 2021, visit [www.sircon.com/virginia](http://www.sircon.com/virginia) to review a list of approved providers, courses and course offerings. Look for Annuity Suitability Best Interest courses.

- **Will resident agents exempt from Virginia CE have to take the annuity suitability training?**

Yes. The training is a separate requirement that all residents selling annuities must complete.

- **Can I use the one-time Virginia approved Annuity Suitability Best Interest training course for my Virginia CE requirements?**  
 Yes. The course can be applied towards resident CE requirements.
- **Who is responsible for verifying the Best Interest standard training?**  
 Insurers are responsible for verifying that a newly licensed agent selling an annuity product in Virginia on their behalf, on or after September 1, 2021, has completed the one-time four-hour annuity suitability best interest training. (See 14 VAC 5-45-45 B 11 of the Virginia Administrative Code.)
- **What if a licensee already took a 4-hour Annuity Suitability training course?**  
 Agents licensed prior to September 1, 2021 who sell annuities in Virginia must complete a one-time one-hour course which includes the Best Interest standard by March 1, 2022. All others will be required to take the new 4-hour Annuity Suitability Best Interest standard course. Insurers are responsible for verifying that agent's licensed prior to September 1, 2021, selling an annuity product in Virginia on their behalf, have completed the one-time one-hour Annuity Suitability Best Interest training. (See 14 VAC 5-45-45 B 11 of the Virginia Administrative Code.)
- **Will Virginia accept a home state's equivalent course in Annuity Suitability Best Interest?**  
 Virginia will accept a non-resident's annuity suitability training taken in another state, provided it includes the Best Interest standard. This mandated training will be permanently reflected on the CE Transcript for residents, as provided by Sircon.
- **When will Education Providers be able to submit courses meeting this requirement?**  
 We anticipate having the Best Interest Annuity course categories available in July 2021 and we will notify providers of its availability.
- **Is a licensee eligible to take the 1-hour best interest course if they had previously completed annuity training requirements in a state other than Virginia and has since relocated to Virginia?**  
 While it is available, the 1-hour Best Interest course supplement could be applied to meet Virginia's standards if the agent can prove they have met the annuity suitability standards of their home state with a certificate of completion. Insurers are responsible for verifying that an agent selling an annuity product in Virginia on their behalf, on or after September 1, 2021, has completed the requisite Annuity Suitability Best Interest training. (See 14 VAC 5-45-45 B 11 of the Virginia Administrative Code.)
- **If a current Annuity Suitability course already has the new Best Interest elements that meet the definition, can the course be resubmitted as an Annuity Suitability Best Interest course?**  
 Yes, based on meeting the Best Interest standard, providers may resubmit courses in the Annuity Suitability Best Interest categories once they have become available.

Visit <https://www.scc.virginia.gov/DocketSearch>, click on “Search by Case Information” and enter **Case Number INS-2021-00001** in the “Enter Case Number” box to review the revised rules.