Comments of the Consumer Federation of America and the Center for Economic Justice

To the NAIC Annuity Suitability Working Group

Proposed Edits to the NAIC Suitability Model Regulation for a Best Interest Standard of Care

April 27, 2018

STANDARDS OF CONSUMER CARE FOR RECOMMENDATIONS ~~SUITABILITY~~ IN LIFE INSURANCE AND ANNUITY TRANSACTIONS MODEL REGULATION

Table of Contents

Section 1. Purpose

A. The purpose of this regulation is to establish the duties and obligations of insurers and producers when making recommendations to consumers with respect to certain life insurance policies and annuity contracts delivered or issued for delivery in this state to ensure that a transaction is in the best interest of the consumer and appropriately addresses the insurance needs and financial objectives of the consumer at the time of the transaction~~require insurers to establish a system to supervise recommendations and to set forth standards and procedures for recommendations to consumers that result in transactions involving annuity products so that the insurance needs and financial objectives of consumers at the time of the transaction are appropriately addressed~~.

~~B. Nothing herein shall be construed to create or imply a private cause of action for a violation of this regulation.~~

~~**Drafting Note:** The language of subsection B comes from the NAIC Unfair Trade Practices Act. If a State has adopted different language, it should be substituted for subsection B~~.

Section 2. Scope

This regulation shall apply to any recommendation to purchase, exchange, ~~or~~ replace or modify a life insurance policy or~~n~~ annuity contract made to a consumer by an insurance producer, or an insurer where no producer is involved~~, that results in the purchase, exchange or replacement recommended~~.

Section 3. Authority

This regulation is issued under the authority of [insert reference to enabling legislation].

Drafting Note: States may wish to use the Unfair Trade Practices Act as enabling legislation or may pass a law with specific authority to adopt this regulation.

Section 4. Exemptions

Unless otherwise specifically included, this regulation shall not apply to transactions involving:

A. Direct response solicitations where there is no recommendation based on information collected from the consumer pursuant to this regulation;

B. Contracts used to fund:

(1) An employee pension or welfare benefit plan that is covered by the Employee Retirement and Income Security Act (ERISA);

(2) A plan described by sections 401(a), 401(k), 403(b), 408(k) or 408(p) of the Internal Revenue Code (IRC), as amended, if established or maintained by an employer;

(3) A government or church plan defined in section 414 of the IRC, a government or church welfare benefit plan, or a deferred compensation plan of a state or local government or tax exempt organization under section 457 of the IRC;

(4) A nonqualified deferred compensation arrangement established or maintained by an employer or plan sponsor;

(5) Settlements of or assumptions of liabilities associated with personal injury litigation or any dispute or claim resolution process; or

(6) Formal prepaid funeral contracts.

(7) Life insurance policies with no cash value or investment feature

Section 5. Definitions

A. ~~A.~~ "Annuity" means an annuity that is an insurance product under State law that is individually solicited, whether the product is classified as an individual or group annuity.

~~A.~~B. "Best interest" means, acting, at the time the recommendation is made, with the care, skill, prudence, and diligence that a prudent person familiar with such matters would use under the circumstances without regard to the financial or other interests of the producer, insurer, or any party other than the consumer. A producer or insurers acts in the best interest of the consumer if they recommend the best option the producer or insurer has available to recommend at the time of the recommendation based on the characteristics of product and the financial needs and objectives of the consumer. Acting in the consumer's best interest does not mean recommending the best option available in the marketplace at the time of the recommendation.

C. "Consumer" means an applicant for or an existing policyholder of life insurance policy or annuity contract.

D~~B~~. "Continuing education credit" or "CE credit" means one continuing education credit as defined in [insert reference in State law or regulations governing producer continuing education course approval].

E~~C~~. "Continuing education provider" or "CE provider" means an individual or entity that is approved to offer continuing education courses pursuant to [insert reference in State law or regulations governing producer continuing education course approval].

F~~D~~. "FINRA" means the Financial Industry Regulatory Authority or a succeeding agency.

G~~E~~. "Insurer" means a company required to be licensed under the laws of this state to provide insurance products, including life insurance and annuities.

H~~F~~. "Insurance producer" means a person required to be licensed under the laws of this state to sell, solicit or negotiate insurance, including life insurance and annuities.

I. Life insurance means a life insurance policy that is an individual product under State law that is individually solicited whether the product is classified as an individual or group life insurance. For the purposes of this regulation, Life insurance does not include policies with no cash value or investment feature.

J. "Material conflict of interest" means a financial or other interest of an insurance producer, or the insurer where no producer is involved, that a reasonable person would expect could affect the impartiality of the recommendation or the ability of the insurer or producer to act in the consumer's best interest.

K. Reasonable compensation means compensation, including both cash and non-cash compensation, that is not excessive in light of services provided.

L~~G~~. "Recommendation" means communication to an applicant for or existing policyholder of life insurance or annuity contract that, based on its content, context, and method of communication, would reasonably be viewed as a suggestion that the customer take action or refrain from taking action with respect to a proposed or in-force life insurance policy or annuity contract.~~advice provided by an insurance producer, or an insurer where no producer is involved, to an individual consumer that results in a purchase, exchange or replacement of an annuity in accordance with that advice~~.

M~~H~~. "Replacement" means a transaction in which a new policy or contract is to be purchased, and it is known or should be known to the proposing producer, or to the proposing insurer if there is no producer, that by reason of the transaction, an existing policy or contract has been or is to be:

(1) Lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing insurer or otherwise terminated;

(2) Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values;

(3) Amended so as to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid;

(4) Reissued with any reduction in cash value; or

(5) Used in a financed purchase.

Drafting Note: The definition of "replacement" above is derived from the NAIC Life Insurance and Annuities Replacement Model Regulation. If a State has a different definition for "replacement," the State should either insert the text of that definition in place of the definition above or modify the definition above to provide a cross-reference to the definition of "replacement" that is in State law or regulation.

N~~I~~. "Best interest analysis ~~Suitability~~ information" means information that is necessary and ~~reasonably~~ appropriate to determine whether ~~the suitability of~~ a recommendation is in the best interest of the consumer, including the following:

(1) Age;

(2) Annual income;

(3) Financial situation and needs, including the financial resources used for the funding of the annuity;

(4) Financial experience and knowledge;

(5) Financial objectives;

(6) Intended use of the life insurance or annuity, including any riders attached thereto;

(7) Financial time horizon, including the duration of existing liabilities and obligations;

(8) Existing assets and financial products, including investment and life insurance holdings;

(9) Liquidity needs;

(10) Liquid net worth;

(11) Risk tolerance, including tolerance of non-guaranteed elements in a policy, including variability in premium, cash value, death benefit or fees; and

(12) Tax status.

Section 6. Duties of Insurers and of Insurance Producers

A. ~~A.~~ In making recommendations regarding a proposed or in-force life insurance or annuity to a consumer, the insurance producer, or the insurer where no producer is involved, shall make only those recommendations that are in the best interests of the consumer at the time the recommendation is made.

(1) The determination of whether the recommendation is in the consumer's best interest shall be based on the facts disclosed by the consumer as to his or her investments and other insurance products and as to his or her financial situation and needs, including the consumer's best interest analysis information, as well as the characteristics of the life insurance or annuity.

(2) Relevant life insurance or annuity characteristics include such factors as the product's potential surrender period and surrender charge, any secondary guarantee period, equity-index features, availability of cash value, potential tax implications if the consumer sells, modifies, surrenders, lapses or annuitizes the product, death benefit, mortality and expense fees, cost of insurance charges, investment advisory fees, product exclusions or restrictions, potential charges for and features of riders, limitations on interest returns, guaranteed interest rates, insurance and investment components, market risk, and any other relevant product features.

~~In recommending to a consumer the purchase of an annuity or the exchange of an annuity that results in another insurance transaction or series of insurance transactions, the insurance producer, or the insurer where no producer is involved, shall have reasonable grounds for believing that the recommendation is suitable for the consumer on the basis of the facts disclosed by the consumer as to his or her investments and other insurance products and as to his or her financial situation and needs, including the consumer's suitability information, and that there is a reasonable basis to believe all of the following:~~

B. The insurance producer, or the insurer where no producer is involved, shall document the basis on which the producer or insurer concluded that the recommendation meets the best interest standard of care for the consumer, including the assumptions and analysis that led to the recommendation.

C. The insurance producer, or insurer where no producer is involved, shall have a reasonable basis to believe all of the following:

(1) The consumer has been reasonably informed of various features of the life insurance or annuity, such as the potential surrender period and surrender charge, potential tax penalty if the consumer sells, exchanges, surrenders or annuitizes the life insurance or annuity, mortality and expense fees, investment advisory fees, potential charges for and features of riders, limitations on interest returns, insurance and investment components and market risk;

Drafting Note: If a State has adopted the NAIC Annuity Disclosure Model Regulation, the State should insert an additional phrase in paragraph (1) above to explain that the requirements of this section are intended to supplement and not replace the disclosure requirements of the NAIC Annuity Disclosure Model Regulation.

(2) The consumer would benefit from certain features of the life insurance or annuity, such as tax-deferred growth, annuitization or death or living benefit;

(3) The particular life insurance or annuity as a whole, the underlying subaccounts to which funds are allocated at the time of the recommended transaction~~purchase or exchange of the annuity~~, and riders and similar product enhancements, if any, are in the best interest ~~suitable~~ (and in the case of an exchange or replacement, the transaction as a whole is in the best interest~~suitable~~) of~~for~~ the particular consumer based on his or her best interest analysis~~suitability~~ information; and

(4) In the case of an exchange or replacement of life insurance or an annuity, the exchange or replacement is in the consumer's best interest~~suitable~~ including taking into consideration whether:

(a) The consumer will incur a surrender charge, increased premium or fees, decreased coverage duration, decreased death benefit or income amount, adverse change in health rating, be subject to the commencement of a new surrender period, lose existing benefits (such as death, living or other contractual benefits), be subject to tax implications if the consumer surrenders or borrows from the policy, or be subject to increased fees, investment advisory fees or charges for riders and similar product enhancements;

(b) The consumer would benefit from product enhancements and improvements, such as decreased premium or fees, increased coverage duration, increased death benefit or income amount; and

(c) The consumer has had another life insurance policy or annuity contract exchange or replacement and, in particular, an exchange or replacement within the preceding 36 months.

D. Prior to making a recommendation with regard to a proposed or in-force life insurance policy or an annuity, an insurance producer, or an insurer where no producer is involved, shall make reasonable efforts to obtain the consumer's best interest analysis information.

E. In making a recommendation, the insurance producer, or insurer where no producer is involved, shall disclose to the consumer:

(1) Any and all material conflicts of interest, including that the producer will receive a commission or fee for the sale of the life insurance or annuity; the amount of the commission or fee and, if applicable, all other compensation the insurance producer will receive as a result of a contract for services for advice or for the sale of the life insurance or annuity to the consumer. This disclosure shall be made verbally and in a separate stand-alone document that is no more than two pages in length and is written in plain language in 14--point font that is left with the consumer when the application is signed; and

(2) The basis on which the producer, or the insurer where no producer is involved, concluded that the recommendation is the best available option for the consumer. This disclosure shall be made verbally and in a separate stand-alone document that is no more than two pages in length and is written in plain language in 14--point font that is left with the consumer when the application is signed.

F. Except as permitted under subsection G, an insurer shall not issue a policy or annuity recommended to a consumer unless there is a reasonable basis to believe the annuity is in the best interests of the consumer based on the consumer's best interest analysis information.

G. (1) –Except as provided under paragraph (2) of this subsection, neither an insurance producer, nor an insurer, shall have any obligation for a recommendation meeting the best interest standard of care if:

(a) No recommendation is made;

(b) A recommendation was made and was later found to have been prepared based on materially inaccurate information provided by the consumer, provided that the insurance producer and/or insurer did not know and should not reasonably have known that the information was inaccurate; or

(c) A consumer decides to enter into a transaction that is not based on a recommendation of the insurer or the insurance producer.

(2) (a) If any of the situations set forth in paragraphs (1)(a) or (c) occur, prior to issuing the life insurance or annuity, the insurer shall send the consumer a best interest analysis information form with a cover letter that states that in order to ensure that the consumer is purchasing life insurance or an annuity which is in the consumer's best interest, the insurer is requesting the relevant consumer information. If the consumer refuses to complete the best interest analysis information form, the consumer must write on the form: "I refuse to complete this questionnaire and want to purchase the annuity which was not recommended by the insurer or insurance agent."

(b) The insurer is prohibited from issuing the life insurance or annuity until it receives a response from the consumer to the request in subsection (a).

H. An insurance producer or, where no insurance producer is involved, the responsible insurer representative, shall at the time of the recommendation:

(1) Disclose to the consumer all relevant suitability considerations and product information, whether favorable or unfavorable, that provide the basis for any recommendation;

(2) Document any recommendation subject to subsection A and B of this regulation;

(3) Document the customer's refusal to provide customer profile information, if any; and

(4) Document that a transaction is not recommended if a customer decides to enter into a transaction that is not based on the insurance producer's or insurer's recommendation.

I. A producer shall not make a recommendation to a consumer to enter into a transaction unless the producer has a reasonable basis to believe that the consumer has the financial ability to meet the financial commitment under the policy.

J. An insurer shall establish a supervision system that is reasonably designed to achieve the insurer's and producers' compliance with this Part. An insurer may contract with a third party to establish and maintain a system of supervision with respect to producers.

K. An insurer shall be responsible for ensuring that every producer recommending any transaction with respect to the insurer's products is adequately trained to make the recommendation.

L A producer shall not make a recommendation to a consumer to enter into a transaction about which the producer has inadequate knowledge.

~~(a) The consumer will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits (such as death, living or other contractual benefits), or be subject to increased fees, investment advisory fees or charges for riders and similar product enhancements;~~

~~(b) The consumer would benefit from product enhancements and improvements; and~~

~~(c) The consumer has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding 36 months.~~

~~B. Prior to the execution of a purchase, exchange or replacement of an annuity resulting from a recommendation, an insurance producer, or an insurer where no producer is involved, shall make reasonable efforts to obtain the consumer's suitability information.~~

~~C. Except as permitted under subsection D, an insurer shall not issue an annuity recommended to a consumer~~

~~unless there is a reasonable basis to believe the annuity is suitable based on the consumer's suitability information.~~

~~D. (1) Except as provided under paragraph (2) of this subsection, neither an insurance producer, nor an insurer, shall have any obligation to a consumer under subsection A or C related to any annuity transaction if:~~

~~(a) No recommendation is made;~~

~~(b) A recommendation was made and was later found to have been prepared based on materially inaccurate information provided by the consumer;~~

~~(c) A consumer refuses to provide relevant suitability information and the annuity transaction is not recommended; or~~

~~(d) A consumer decides to enter into an annuity transaction that is not based on a recommendation of the insurer or the insurance producer.~~

~~(2) An insurer's issuance of an annuity subject to paragraph (1) shall be reasonable under all the circumstances actually known to the insurer at the time the annuity is issued.~~

~~E. An insurance producer or, where no insurance producer is involved, the responsible insurer representative, shall at the time of sale:~~

~~(1) Make a record of any recommendation subject to section 6A of this regulation;~~

~~(2) Obtain a customer signed statement documenting a customer's refusal to provide suitability information, if any; and~~

~~(3) Obtain a customer signed statement acknowledging that an annuity transaction is not recommended if a customer decides to enter into an annuity transaction that is not based on the insurance producer's or insurer's recommendation.~~

~~F. (1) An insurer shall establish a supervision system that is reasonably designed to achieve the insurer's and its insurance producers' compliance with this regulation, including, but not limited to, the following:~~

~~(a) The insurer shall maintain reasonable procedures to inform its insurance producers of the requirements of this regulation and shall incorporate the requirements of this regulation into relevant insurance producer training manuals;~~

~~(b) The insurer shall establish standards for insurance producer product training and shall maintain reasonable procedures to require its insurance producers to comply with the requirements of section 7 of this regulation;~~

~~(c) The insurer shall provide product specific training and training materials which explain all material features of its annuity products to its insurance producers;~~

~~(d) The insurer shall maintain procedures for review of each recommendation prior to issuance of an annuity that are designed to ensure that there is a reasonable basis to determine that a recommendation is suitable. Such review procedures may apply a screening system for the purpose of identifying selected transactions for additional review and may be accomplished electronically or through other means including, but not limited to, physical review. Such an electronic or other system may be designed to require additional review only of those transactions identified for additional review by the selection criteria;~~

~~(e) The insurer shall maintain reasonable procedures to detect recommendations that are not suitable. This may include, but is not limited to, confirmation of consumer suitability information, systematic customer surveys, interviews, confirmation letters and programs of internal monitoring. Nothing in this subparagraph prevents an insurer from complying with this subparagraph by applying sampling procedures, or by confirming suitability information after issuance or delivery of the annuity; and~~

~~(f) The insurer shall annually provide a report to senior management, including to the senior manager responsible for audit functions, which details a review, with appropriate testing, reasonably designed to determine the effectiveness of the supervision system, the exceptions found, and corrective action taken or recommended, if any.~~

~~(2) (a) Nothing in this subsection restricts an insurer from contracting for performance of a function (including maintenance of procedures) required under paragraph (1). An insurer is responsible for taking appropriate corrective action and may be subject to sanctions and penalties pursuant to section 8 of this regulation regardless of whether the insurer contracts for performance of a function and regardless of the insurer's compliance with subparagraph (b) of this paragraph.~~

~~(b) An insurer's supervision system under paragraph (1) shall include supervision of contractual performance under this subsection. This includes, but is not limited to, the following:~~

~~(i) Monitoring and, as appropriate, conducting audits to assure that the contracted function is properly performed; and~~

~~(ii) Annually obtaining a certification from a senior manager who has responsibility for the contracted function that the manager has a reasonable basis to represent, and does represent, that the function is properly performed.~~

~~(3) An insurer is not required to include in its system of supervision an insurance producer's recommendations to consumers of products other than the annuities offered by the insurer.~~

M~~G~~. An insurer or insurance producer shall not dissuade, or attempt to dissuade, a consumer from:

(1) Truthfully responding to an insurer's request for confirmation of best interest analysis ~~suitability~~ information;

(2) Filing a complaint; or

(3) Cooperating with the investigation of a complaint.

~~H. (1) Sales made in compliance with FINRA requirements pertaining to suitability and supervision of annuity transactions shall satisfy the requirements under this regulation. This subsection applies to FINRA broker-dealer sales of annuities if the suitability and supervision is similar to those applied to variable annuity sales. However, nothing in this subsection shall limit the insurance commissioner's ability to enforce (including investigate) the provisions of this regulation.~~

Drafting Note: If the SEC or FINRA adopts a best-interest standard for broker dealers and such standard provides equivalent consumer protection as this model, the model should reference that SEC or FINRA standard~~s~~. However, compliance with a FINRA suitability standard does not provide such consumer protection equivalence and cannot substitute for compliance with a best interest standard of care~~Non-compliance with FINRA requirements means that the broker-dealer transaction is subject to compliance with the suitability requirements of this regulation~~.

~~(2) For paragraph (1) to apply, an insurer shall:~~

~~(a) Monitor the FINRA member broker-dealer using information collected in the normal course of an insurer's business; and~~

~~(b) Provide to the FINRA member broker-dealer information and reports that are reasonably appropriate to assist the FINRA member broker-dealer to maintain its supervision system~~.

Section 7. Insurance Producer Training

A. An insurance producer shall not solicit the sale of life insurance or an annuity product unless the insurance producer has adequate knowledge of the product to recommend the product~~annuity~~ and the insurance producer is in compliance with the insurer's standards for product training. An insurance producer may rely on insurer-provided product-specific training standards and materials to comply with this subsection.

B. (1) (a) An insurance producer who engages in the sale of life insurance or annuity products shall complete a one-time four (4) credit training course approved by the department of insurance and provided by the department of insurance-approved education provider.

(b) Insurance producers who hold a life insurance line of authority on the effective date of this regulation and who desire to sell annuities shall complete the requirements of this subsection within six (6) months after the effective date of this regulation. Individuals who obtain a life insurance line of authority on or after the effective date of this regulation may not engage in the sale of annuities until the annuity training course required under this subsection has been completed.

(2) The minimum length of the training required under this subsection shall be sufficient to qualify for at least four (4) CE credits, but may be longer.

(3) The training required under this subsection shall include information on the following topics:

(a) The types of life insurance and annuities and various classifications of life insurance and annuities;

(b) Identification of the parties to the life insurance or~~an~~ annuity;

(c) How the product~~-~~specific life insurance policy or annuity contract features affect consumers;

(d) The application of income taxation of qualified and non-qualified annuities;

(e) The primary uses of life insurance and annuities; and

(f) Appropriate sales practices, replacement, illustration and disclosure requirements.

(4) Providers of courses intended to comply with this subsection shall cover all topics listed in the prescribed outline and shall not present any marketing information or provide training on sales techniques or provide specific information about a particular insurer's products. Additional topics may be offered in conjunction with and in addition to the required outline.

(5) A provider of a life insurance or annuity training course intended to comply with this subsection shall register as a CE provider in this State and comply with the rules and guidelines applicable to

insurance producer continuing education courses as set forth in [insert reference to State law or regulations governing producer continuing education course approval].

(6) Life insurance or a~~A~~nnuity training courses may be conducted and completed by classroom or self-study methods in accordance with [insert reference to State law or regulations governing producer continuing education course approval].

(7) Providers of life insurance or annuity training shall comply with the reporting requirements and shall issue certificates of completion in accordance with [insert reference to State law or regulations governing to producer continuing education course approval].

(8) The satisfaction of the training requirements of another State that are substantially similar to the provisions of this subsection shall be deemed to satisfy the training requirements of this subsection in this State.

(9) An insurer shall verify that an insurance producer has completed the life insurance or annuity training course required under this subsection before allowing the producer to sell an annuity product for that insurer. An insurer may satisfy its responsibility under this subsection by obtaining certificates of completion of the training course or obtaining reports provided by commissioner-sponsored database systems or vendors or from a reasonably reliable commercial database vendor that has a reporting arrangement with approved insurance education providers.

Section 8. Prohibited Practices

An insurance producer or an insurer where no producer is involved:

(1) Shall receive no more than reasonable compensation in making and implementing a recommendation;

(2) Shall not make any materially misleading statements or omissions regarding the recommendation or transaction; and

(3) Shall not create, or base a recommendation on, incentives (such as sales quotas, sales contests, or other similar inducements) that would reasonably be expected to cause the producer to act on the producer's or insurer's own financial interest, rather than the customer's best interests. Nothing in this section should be viewed as prohibiting a producer or insurer from receiving reasonable compensation or recommending proprietary products.

Section 9~~8~~. Compliance Mitigation; Penalties

A. An insurer is responsible for compliance with this regulation. If a violation occurs, either because of the action or inaction of the insurer or its insurance producer, the commissioner may order:

(1) An insurer to take reasonably appropriate corrective action for any consumer harmed by the insurer's, or by its insurance producer's, violation of this regulation;

(2) A general agency, independent agency or the insurance producer to take reasonably appropriate corrective action for any consumer harmed by the insurance producer's violation of this regulation; and

(3) Appropriate penalties and sanctions.

B. Any applicable penalty under [insert statutory citation] for a violation ~~of this~~of this regulation may be reduced or eliminated [, according to a schedule adopted by the commissioner,] if corrective action for the consumer was taken promptly after a violation was discovered or the violation was not part of a pattern or practice.

Drafting Note: Subsection B above is intended to be consistent with the commissioner's discretionary authority to determine the appropriate penalty for a violation of this regulation. The language of subsection B is not intended to require that a commissioner impose a penalty on an insurer for a single violation of this regulation if the commissioner has determined that such a penalty is not appropriate.

Drafting Note: A State that has authority to adopt a schedule of penalties may wish to include the words in brackets. In that case, "shall" should be substituted for "may" in the same sentence. States should consider inserting a reference to the NAIC Unfair Trade Practices Act or the State's statute that authorizes the commissioner to impose penalties and fines.

Section 10~~9~~. [Optional] Recordkeeping

A. Insurers, general agents, independent agencies and insurance producers shall maintain or be able to make available to the commissioner records of the information collected from the consumer and other information used in making the recommendations that were the basis for insurance transactions for [insert number] years after the insurance transaction is completed by the insurer. An insurer is permitted, but shall not be required, to maintain documentation on behalf of an insurance producer.

Drafting Note: States should review their current record retention laws and specify a time period that is consistent with those laws. For some States this time period may be five (5) years.

B. Records required to be maintained by this regulation may be maintained in paper, photographic, micro-process, magnetic, mechanical or electronic media or by any process that accurately reproduces the actual document.

Drafting Note: This section may be unnecessary in States that have a comprehensive recordkeeping law or regulation.

Section 11~~0~~. Effective Date

The amendments to this regulation shall take effect six (6) months after the date the regulation is adopted or on [insert date], whichever is later.

Chronological Summary of Action (All references are to the Proceedings of the NAIC).

2003 Proc. 3rd Quarter 17-18, 24-27, 32, 213 (adopted).
2006 Proc. 2nd Quarter 40, 90 (amended).
2010 Proc. 1st Quarter Vol. I 105-106, 117, 129-139, 146-159, 313 (amended).
2015 Proc. 1st Quarter, Vol. I 117-118, 131-134, 326-335, 431 (amended).