



September 22, 2025

Submitted electronically to jmatthews@naic.org

To: NAIC Annuity Suitability Working Group

**Re: Letter of Support and Additional Comments on Annuity Best Interest
Regulatory Guidance and Considerations – August 7, 2025, Draft**

On behalf of our collective members, the undersigned trades write to state our support for the updated draft of the Annuity Best Interest Regulatory Guidance and Considerations (“Draft Guidance”). We appreciate the efforts of the Working Group over the last year to work with interested stakeholders and to update the draft in response to comments received last fall. We believe this updated version of the Draft Guidance appropriately reflects insurers’ supervisory obligations under the Suitability in Annuity Transactions Model Regulation (“Model”) and will be extremely helpful for regulators, companies, and ultimately consumers, as the Model is now the standard across the country.

While we are supportive of the Draft Guidance, we are offering up some recommended edits for the Working Group’s consideration in the attached redline. To aid in the Working Group’s review of these recommendations, we have summarized below the edits within the various sections of the Draft Guidance. Generally, the edits fall in three different buckets: 1) edits that our members view as most important to ensuring accuracy and clarity as to insurers’ obligations, 2) edits that are intended to align with the Model language, and 3) edits that are simply suggestions to improve readability or for clarity. We hope this assists the Working Group as the Draft Guidance is finalized.

SUMMARY – The edits in this section are intended to align with the Model language.

REQUIREMENTS OF THE SAFE HARBOR – Two edits in this section are important to ensuring accuracy and clarity as to insurers’ obligations:

- We recommend that **Verification** be listed as a best practice since it is not an explicit requirement in the Model. Our goal is to avoid the implication that failure to verify is a violation in and of itself.
- Under **Monitoring**, we recommend that the language be adjusted to clarify that insurers must monitor the relevant conduct of the financial professional, *or the entity responsible for supervising the financial professional*. This ensures alignment with the Model language and is important to include here so that it is clear that insurers may monitor the conduct of the supervising entity.

The other edits in this section are intended to align with the Model language.

DISCUSSION - Two edits in this section are important to ensuring accuracy and clarity as to insurers' obligations:

- We recommend moving the last sentence of this section to the **Monitoring Relevant Conduct** under **Onboarding** and adjusting it to ensure that this is a suggested best practice since it is not an explicit requirement under the Model.
- We recommend adjusting "contemplate fixed annuities" to read "help to ensure that recommendations of fixed annuities are in the best interest of customers", which we believe more accurately reflects how the safe harbor functions.

The other edits in this section are simply suggestions for clarity.

INSURERS' 6(C)(1) OBLIGATION – One edit in this section is important to ensuring accuracy and clarity as to an insurer's obligation:

- We recommend that the language be adjusted to clarify that insurers must monitor the relevant conduct of the financial professional, *or the entity responsible for supervising the financial professional*. This ensures alignment with the Model language and is important to include here so that it is clear that insurers may monitor the conduct of the supervising entity.

The other edits in this section are simply suggestions to improve readability and clarity.

SAFE HARBOR USE CASES – The edits in this section are simply suggestions for clarity.

MONITORING RELEVANT CONDUCT – The edits in this section are either intended to align with the Model language or are simply suggestions for clarity.

PROVIDING INFORMATION AND REPORTS - The edits in this section are either intended to align with the Model language or are simply suggestions for clarity.

CONCLUSION – The edit in this section is important to ensuring accuracy and clarity as to an insurer’s obligation:

- We recommend removing the language “training contracted entities” from the list of the insurer’s responsibilities as this is not an explicit requirement in the Model.

The other edit in this section is simply a suggestion for clarity.

We appreciate your consideration of our recommendations as described above, and overall, we are very supportive of the Draft Guidance. We commend the Working Group for tackling this important issue, and we believe this final version appropriately reflects the Model. Should you have any questions or concerns, please reach out to Sarah Wood at the Insured Retirement Institute at swood@irionline.org.

Submitted on behalf of the following trades,

American Council of Life Insurers (ACLI)
Committee of Annuity Insurers (CAI)
Finseca
Financial Services Institute (FSI)
Indexed Annuity Leadership Council (IALC)
Insured Retirement Institute (IRI)
National Association for Fixed Annuities (NAFA)
National Association for Insurance and Financial Advisors (NAIFA)