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DEPARTMENT

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BULLETIN NO. 7-2021

TO: ALL INSURANCE COMPANIES AND PRODUCERS SELLING ANNUITY PRODUCTS IN THE STATE OF ARKANSAS

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: ARKANSAS INSURANCE DEPARTMENT RULE 82 ANNUITY “BEST INTEREST” TRAINING REQUIREMENTS

The Arkansas Insurance Department has adopted changes to its [Suitability in Annuities Rule 82](#). This new rule, issued December 29, 2020, requires producers to put the needs of their clients first and to act in their clients’ best interest. Changes to this rule are effective as of July 8, 2021, except for the new continuing education requirements. As part of the new regulations, Rule 82 requires insurance producers to complete a one-time training course designed to educate producers on, among other items, the primary uses of annuities, appropriate sales practices, and replacement and disclosure requirements.

Beginning in 2022, a producer shall not solicit the sale of an annuity product unless the producer has adequate knowledge of the product to recommend the annuity and the producer is in compliance with the insurer’s standards for product training. A producer who engages in the sale of annuity products shall complete a one-time training course approved by the Department and provided by a continuing education provider approved by the Department. The minimum length of the training shall be sufficient to qualify for at least four Continuing Education credits as required by Rule 82 § 7(B)(6). After January 1, 2022, individual producers may not engage in the sale of annuities until the annuity training course required under rule has been completed.

The transcripts of Arkansas resident insurance producers who take and pass such a course will reflect that the course was an “annuity products-best interest” course and carriers may rely on this when

making producer appointments. Approved classes will have the words “best interest” included in the title, will have a best interest course group notation, and must have been taken after January 1, 2021. Similar courses with the same course group approved by other state insurance departments will be deemed to meet Arkansas’ education course requirements.

Insurance producers are not required to notify AID that they have completed the annuity suitability education requirement. Annuity course credits count towards the agent’s 24-hour CE requirements for their life-license. An insurance producer’s failure or lack of ability to complete the annuity suitability education course will not affect their license. The education requirement must be completed even if an insurance producer is no longer required to complete continuing education. Companies may rely on a resident insurance producer’s individual transcript when making producer appointments.

Although AID will keep records as to resident insurance producers, it will not record completion of the annuity suitability education courses for non-resident insurance producers. After January 1, 2022, it will be the responsibility of each company to verify that its appointed insurance producers have completed an annuity suitability course including the new best interest standards before the producers may sell its annuity products in Arkansas.

Any questions regarding this Bulletin should be directed to insurance.licensing@arkansas.gov at the Arkansas Insurance Department or by phone at 501-371-2600.



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DATE