

Proposed Filing - Coversheet

Instructions:

In accordance with Title 3 Chapter 25 of the Vermont Statutes Annotated and the “Rule on Rulemaking” ([CVR 04-000-001](#)) adopted by the Office of the Secretary of State, this filing will be considered complete upon filing and acceptance of these forms and enclosures with the Office of the Secretary of State, and the Legislative Committee on Administrative Rules.

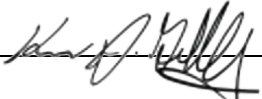
All forms shall be submitted to the Office of the Secretary of State, no later than 3:30 pm on the last scheduled day of the work week.

The data provided in text areas of Proposed Filing Coversheet will be used to generate a notice of rulemaking in the portal of “Proposed Rule Postings” online, and the newspapers of record. Publication of notices will be charged back to the promulgating agency.

**PLEASE REMOVE ANY COVERSHEET OR FORM NOT
REQUIRED WITH THE CURRENT FILING BEFORE DELIVERY!**

Certification Statement: As the adopting Authority of this rule (see 3 V.S.A. § 801 (b) (11) for a definition), I approve the contents of this filing entitled:

Suitability in Annuity Transactions (Reg. I-2023-01)


, on 9/21/2023
(signature)
(date)

Printed Name and Title:

Kevin J. Gaffney, Commissioner
Vermont Department of Financial Regulation

RECEIVED BY: _____

- Coversheet
- Adopting Page
- Economic Impact Analysis
- Environmental Impact Analysis
- Strategy for Maximizing Public Input
- Scientific Information Statement (if applicable)
- Incorporated by Reference Statement (if applicable)
- Clean text of the rule (Amended text without annotation)
- Annotated text (Clearly marking changes from previous rule)
- ICAR Filing Confirmed

1. TITLE OF RULE FILING:

Suitability in Annuity Transactions (Reg. I-2023-01)

2. ADOPTING AGENCY:

Department of Financial Regulation

3. PRIMARY CONTACT PERSON:

(A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE).

Name: Stan Macel, Assistant General Counsel

Agency: Department of Financial Regulation

Mailing Address: 89 Main Street, Third Floor, Montpelier,
VT 05620

Telephone: 802-272-2338 Fax: 802-828-5593

E-Mail: stan.macel@vermont.gov

Web URL *(WHERE THE RULE WILL BE POSTED)*:

<https://dfr.vermont.gov/about-us/legal-general-counsel/proposed-rules-and-public-comment>

4. SECONDARY CONTACT PERSON:

(A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON).

Name: Hillary Borcharding, Assistant General Counsel

Agency: Department of Financial Regulation

Mailing Address: 89 Main Street, Third Floor, Montpelier,
VT 05620

Telephone: 802-249-651 Fax:

E-Mail: hillary.borcharding@vermont.gov

5. RECORDS EXEMPTION INCLUDED WITHIN RULE:

(DOES THE RULE CONTAIN ANY PROVISION DESIGNATING INFORMATION AS CONFIDENTIAL; LIMITING ITS PUBLIC RELEASE; OR OTHERWISE, EXEMPTING IT FROM INSPECTION AND COPYING?) No

IF YES, CITE THE STATUTORY AUTHORITY FOR THE EXEMPTION:

PLEASE SUMMARIZE THE REASON FOR THE EXEMPTION:

6. LEGAL AUTHORITY / ENABLING LEGISLATION:

(THE SPECIFIC STATUTORY OR LEGAL CITATION FROM SESSION LAW INDICATING WHO THE ADOPTING ENTITY IS AND THUS WHO THE SIGNATORY SHOULD BE. THIS SHOULD BE A SPECIFIC CITATION NOT A CHAPTER CITATION).

8 V.S.A. §§ 10, 15(a), 3848, 4721-4728, 4804(a), 4812 and 4813c(c).

7. EXPLANATION OF HOW THE RULE IS WITHIN THE AUTHORITY OF THE AGENCY:

Pursuant to 8 V.S.A. § 10, the business of organizations that offer financial services and products shall be supervised by the Commissioner to protect consumers and provide consumer education. Pursuant to 8 V.S.A. § 15(a), the Commissioner may adopt rules necessary to the administration of Title 8. 8 V.S.A. § 3848, among other things, empowers the Commissioner to issue a cease and desist order for rule violations or written agreements with licensees. Pursuant to 8 V.S.A. §§ 4721-4733, the Commissioner is empowered to examine and investigate any person engaged in the business of insurance in Vermont to determine whether that person has been or is engaged in any unfair method of competition or in any unfair or deceptive act or practice. Pursuant to 8 V.S.A. § 4804(a), the Commissioner may suspend, revoke, or refuse to renew a license upon certain enumerated conditions. 8 V.S.A. § 4812 empowers the Commissioner to adopt reasonable rules and regulations regarding licensing of producers.

8. CONCISE SUMMARY (150 WORDS OR LESS):

The Department is proposing a new rule that requires producers, as defined in the rule, to act in the best interest of the consumer when making a recommendation of an annuity and to require insurers to establish and maintain a system to supervise recommendations so that the insurance needs and financial objectives of consumers at the time of the transaction are effectively addressed.

9. EXPLANATION OF WHY THE RULE IS NECESSARY:

The membership of the National Association of Insurance Commissioners ("NAIC") approved the model rule in February of 2010. The NAIC is the U.S. insurance standard-setting organization created and governed by the chief insurance regulators from the states, districts and territories. The NAIC believes a high degree of harmonization across regulatory platforms would be beneficial to consumers and the industry. The NAIC has provided that states need to work toward

adopting the model rule by February 2025 to maintain the federal exemption of fixed and fixed indexed annuities pursuant to Section 989J of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Thus, if Vermont does not enact this Rule, the State's authority to regulate the sale of fixed and fixed indexed annuities may be jeopardized. It is in the interest of the State to continue regulating the sale of fixed and fixed indexed annuities and to provide a clear standard for its annuity providers to treat customers.

**10. EXPLANATION OF HOW THE RULE IS NOT ARBITRARY AS DEFINED
IN 3 V.S.A. § 801(b)(13)(A):**

The Commissioner is empowered by 8 V.S.A. § 15(a) to adopt rules necessary to the administration of Title 8. The proposed rule provides clear parameters requiring producers to act in the best interest of the consumer when making a recommendation of an annuity, and requiring insurers to implement a system to supervise recommendations to effectively address the insurance needs and financial objectives of consumers. Adoption of this Rule is necessary to maintain the federal exemption of fixed and fixed indexed annuities.

**11. LIST OF PEOPLE, ENTERPRISES AND GOVERNMENT ENTITIES
AFFECTED BY THIS RULE:**

The Department of Financial Regulation; producers offering insurance products, including annuities; insurers providing insurance products, including annuities; intermediaries that work with insurers; consumers.

12. BRIEF SUMMARY OF ECONOMIC IMPACT (150 WORDS OR LESS):

The cost of implementing this rule on insurers, producers, intermediaries and, consequently, consumers is expected to be negligible because this rule codifies a requirement that is in effect in many other States. Further, since this standard is already in effect for securities, those producers that are registered under the securities rules already comply with this rule, and therefore there would be no changes for those businesses implicated by this proposed rule. In addition, there is currently a general suitability requirement in existing rules and specific requirements for annuity replacements in existing rules. See 9 V.S.A. § 4724(16) and Regulation I-2001-03

respectively. Therefore, it is likely that most producers and insurers are following these rules already.

13. A HEARING WILL BE SCHEDULED.

IF A HEARING WILL NOT BE SCHEDULED, PLEASE EXPLAIN WHY.

14. HEARING INFORMATION

(THE FIRST HEARING SHALL BE NO SOONER THAN 30 DAYS FOLLOWING THE POSTING OF NOTICES ONLINE).

IF THIS FORM IS INSUFFICIENT TO LIST THE INFORMATION FOR EACH HEARING, PLEASE ATTACH A SEPARATE SHEET TO COMPLETE THE HEARING INFORMATION NEEDED FOR THE NOTICE OF RULEMAKING.

Date: November 7, 2023

Time: 11:00 AM

Street Address: Zip Code:

URL for Virtual: Virtual - please see following page for URL and call-in instructions

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

PUBLIC HEARING

November 7, 2023

11:00 AM

VIRTUAL VIA MICROSOFT TEAMS

URL:

https://teams.microsoft.com/dl/launcher/launcher.html?url=%2F%20%23%2F%2Fmeetup-join%2F19%3Ameeting_ZTg3ZGE0NjgtOTI2OC00ODBILTkwMDctNWFkOTgwYjU3MWZi%40thread.v2%2F0%3Fcontext%3D%257b%2522Tid%2522%253a%25220b4933b-baad-433c-9c02-70edcc7559c6%2522%252c%2522Oid%2522%253a%2522ae4997f3-dc62-4ae8-85ac-e472d6919848%2522%257d%26anon%3Dtrue&type=meetup-join&deeplinkId=dcbdea1c-4ff4-499f-b498-9ae8e9041a07&directDl=true&msLaunch=true&enableMobilePage=true&suppressPrompt=true

Meeting ID: 251 181 289 640

Passcode: ZB3DHw

Or call in (audio only)

[+1 802-828-7667](tel:+18028287667), [479243333#](tel:+1479243333) United States, Montpelier

Phone Conference ID: 479 243 333#

15. **DEADLINE FOR COMMENT (NO EARLIER THAN 7 DAYS FOLLOWING LAST HEARING): November 14, 2023**

16. **KEYWORDS (PLEASE PROVIDE AT LEAST 3 KEYWORDS OR PHRASES TO AID IN THE SEARCHABILITY OF THE RULE NOTICE ONLINE).**

Annuity

Suitability

Recommendation

Best Interest of Consumer

Producer

Insurer

Insurance

Agent

Adopting Page

Instructions:

This form must accompany each filing made during the rulemaking process:

Note: To satisfy the requirement for an annotated text, an agency must submit the entire rule in annotated form with proposed and final proposed filings. Filing an annotated paragraph or page of a larger rule is not sufficient. Annotation must clearly show the changes to the rule.

When possible, the agency shall file the annotated text, using the appropriate page or pages from the Code of Vermont Rules as a basis for the annotated version. New rules need not be accompanied by an annotated text.

-
1. TITLE OF RULE FILING:
Suitability in Annuity Transactions (Reg. I-2023-01)
 2. ADOPTING AGENCY:
Department of Financial Regulation
 3. TYPE OF FILING (*PLEASE CHOOSE THE TYPE OF FILING FROM THE DROPDOWN MENU BASED ON THE DEFINITIONS PROVIDED BELOW*):
 - **AMENDMENT** - Any change to an already existing rule, even if it is a complete rewrite of the rule, it is considered an amendment if the rule is replaced with other text.
 - **NEW RULE** - A rule that did not previously exist even under a different name.
 - **REPEAL** - The removal of a rule in its entirety, without replacing it with other text.

This filing is **A NEW RULE** .

4. LAST ADOPTED (*PLEASE PROVIDE THE SOS LOG#, TITLE AND EFFECTIVE DATE OF THE LAST ADOPTION FOR THE EXISTING RULE*):

Economic Impact Analysis

Instructions:

In completing the economic impact analysis, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule; estimates the costs and benefits for each category of people enterprises and government entities affected by the rule; compares alternatives to adopting the rule; and explains their analysis concluding that rulemaking is the most appropriate method of achieving the regulatory purpose. If no impacts are anticipated, please specify “No impact anticipated” in the field.

Rules affecting or regulating schools or school districts must include cost implications to local school districts and taxpayers in the impact statement, a clear statement of associated costs, and consideration of alternatives to the rule to reduce or ameliorate costs to local school districts while still achieving the objectives of the rule (see 3 V.S.A. § 832b for details).

Rules affecting small businesses (excluding impacts incidental to the purchase and payment of goods and services by the State or an agency thereof), must include ways that a business can reduce the cost or burden of compliance or an explanation of why the agency determines that such evaluation isn’t appropriate, and an evaluation of creative, innovative or flexible methods of compliance that would not significantly impair the effectiveness of the rule or increase the risk to the health, safety, or welfare of the public or those affected by the rule.

1. TITLE OF RULE FILING:

Suitability in Annuity Transactions (Reg. I-2023-01)

2. ADOPTING AGENCY:

Department of Financial Regulation

3. CATEGORY OF AFFECTED PARTIES:

LIST CATEGORIES OF PEOPLE, ENTERPRISES, AND GOVERNMENTAL ENTITIES POTENTIALLY AFFECTED BY THE ADOPTION OF THIS RULE AND THE ESTIMATED COSTS AND BENEFITS ANTICIPATED:

- Department of Financial Regulation - no estimated costs of compliance anticipated; benefits anticipated regarding standardization and ability to regulate.
- Producers offering insurance products, including annuities - estimated costs of compliance anticipated are negligible; benefits anticipated regarding

standardization of the standard of care across products and jurisdictions.

- Insurers providing insurance products, including annuities - estimated costs of compliance anticipated are negligible; benefits anticipated regarding standardization of the standard of care across products and jurisdictions.
- Intermediaries that work with insurers - estimated costs of compliance anticipated are negligible; benefits anticipated regarding standardization of the standard of care across products and jurisdictions.
- Consumers - estimated costs of compliance anticipated are negligible; benefits anticipated regarding standardization of the standard of care across products and jurisdictions.

4. IMPACT ON SCHOOLS:

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON PUBLIC EDUCATION, PUBLIC SCHOOLS, LOCAL SCHOOL DISTRICTS AND/OR TAXPAYERS CLEARLY STATING ANY ASSOCIATED COSTS:

No impact anticipated.

5. ALTERNATIVES: *CONSIDERATION OF ALTERNATIVES TO THE RULE TO REDUCE OR AMELIORATE COSTS TO LOCAL SCHOOL DISTRICTS WHILE STILL ACHIEVING THE OBJECTIVE OF THE RULE.*

Since no impact on schools is anticipated, no means are necessary to reduce or ameliorate the costs of compliance.

6. IMPACT ON SMALL BUSINESSES:

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON SMALL BUSINESSES (EXCLUDING IMPACTS INCIDENTAL TO THE PURCHASE AND PAYMENT OF GOODS AND SERVICES BY THE STATE OR AN AGENCY THEREOF):

While there are some insurance producers and insurers that fall within the definition of a small business, the financial impact associated with compliance is estimated to be negligible for any size business, as noted above. Further, since this standard is already in effect for securities, those producers that are registered under the securities rules already comply with this rule, and therefore there would be no changes

for those businesses implicated by this proposed rule. In addition, there is currently a general suitability requirement in existing rules and specific requirements for annuity replacements in existing rules. See 9 V.S.A. § 4724(16) and Regulation I-2001-03 respectively.

7. **SMALL BUSINESS COMPLIANCE:** *EXPLAIN WAYS A BUSINESS CAN REDUCE THE COST/BURDEN OF COMPLIANCE OR AN EXPLANATION OF WHY THE AGENCY DETERMINES THAT SUCH EVALUATION ISN'T APPROPRIATE.*

Since any financial impact on small businesses regarding compliance is expected to be negligible, this evaluation is not relevant.

8. **COMPARISON:**

COMPARE THE IMPACT OF THE RULE WITH THE ECONOMIC IMPACT OF OTHER ALTERNATIVES TO THE RULE, INCLUDING NO RULE ON THE SUBJECT OR A RULE HAVING SEPARATE REQUIREMENTS FOR SMALL BUSINESS:

The proposed rule is based on the widely accepted and mandated NAIC model regulations. No alternative was presented nor is there an alternative if Vermont wishes to maintain regulatory authority over fixed and fixed indexed annuities pursuant to federal regulation and remain in conformity with other jurisdictions.

As noted above, any financial impact associated with compliance is estimated to be negligible. Further, the proposed rule codifies a standard that exists in many other jurisdictions, and for other products in this jurisdiction. On a national level, adoption of this rule by all states and territories will provide nationwide consistency for producers and insurers engaged in recommendations and sales of annuity products. Adoption of this Rule is necessary to maintain the federal exemption of fixed and fixed indexed annuities. Losing the federal exemption brings with it significant negative consequences, including potentially causing Vermont annuity providers and insurers to seek another state as their domicile, with negative economic consequences to the state, as well as significant damages to the reputation of the Department.

9. SUFFICIENCY: *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*

The NAIC has not performed a nationwide cost/benefit analysis with respect to the new rule as it does not believe that the specific cost for insurance companies to comply with the proposed rule and the impact on state insurance departments to enforce the rule are reasonably quantifiable. DFR staff reviewed the standard of care of various federal and state requirements and believes that adopting the rule will harmonize regulatory regimes and thus reduce the cost for firms to ensure compliance with regulatory requirements. Locally, the Department performed outreach to several providers who were fully supportive of the proposal.

Environmental Impact Analysis

Instructions:

In completing the environmental impact analysis, an agency analyzes and evaluates the anticipated environmental impacts (positive or negative) to be expected from adoption of the rule; compares alternatives to adopting the rule; explains the sufficiency of the environmental impact analysis. If no impacts are anticipated, please specify “No impact anticipated” in the field.

Examples of Environmental Impacts include but are not limited to:

- Impacts on the emission of greenhouse gases
- Impacts on the discharge of pollutants to water
- Impacts on the arability of land
- Impacts on the climate
- Impacts on the flow of water
- Impacts on recreation
- Or other environmental impacts

1. TITLE OF RULE FILING:

Suitability in Annuity Transactions (Reg. I-2023-01)

2. ADOPTING AGENCY:

Department of Financial Regulation

3. GREENHOUSE GAS: *EXPLAIN HOW THE RULE IMPACTS THE EMISSION OF GREENHOUSE GASES (E.G. TRANSPORTATION OF PEOPLE OR GOODS; BUILDING INFRASTRUCTURE; LAND USE AND DEVELOPMENT, WASTE GENERATION, ETC.):*

No impact anticipated.

4. WATER: *EXPLAIN HOW THE RULE IMPACTS WATER (E.G. DISCHARGE / ELIMINATION OF POLLUTION INTO VERMONT WATERS, THE FLOW OF WATER IN THE STATE, WATER QUALITY ETC.):*

No impact anticipated.

5. LAND: *EXPLAIN HOW THE RULE IMPACTS LAND (E.G. IMPACTS ON FORESTRY, AGRICULTURE ETC.):*

No impact anticipated.

6. RECREATION: *EXPLAIN HOW THE RULE IMPACTS RECREATION IN THE STATE:*

No impact anticipated.

7. **CLIMATE:** *EXPLAIN HOW THE RULE IMPACTS THE CLIMATE IN THE STATE:*
No impact anticipated.
8. **OTHER:** *EXPLAIN HOW THE RULE IMPACT OTHER ASPECTS OF VERMONT'S ENVIRONMENT:*
No impact anticipated.
9. **SUFFICIENCY:** *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*
The rule does not impact aspects of the environment and thus no environmental impacts were identified.

Public Input Maximization Plan

Instructions:

Agencies are encouraged to hold hearings as part of their strategy to maximize the involvement of the public in the development of rules. Please complete the form below by describing the agency's strategy for maximizing public input (what it did do, or will do to maximize the involvement of the public).

This form must accompany each filing made during the rulemaking process:

1. TITLE OF RULE FILING:

Suitability in Annuity Transactions (Reg. I-2023-01)

2. ADOPTING AGENCY:

Department of Financial Regulation

3. PLEASE DESCRIBE THE AGENCY'S STRATEGY TO MAXIMIZE PUBLIC INVOLVEMENT IN THE DEVELOPMENT OF THE PROPOSED RULE, LISTING THE STEPS THAT HAVE BEEN OR WILL BE TAKEN TO COMPLY WITH THAT STRATEGY:

Prior to initiating this rulemaking the Department shared draft text of the NAIC model regulation with several providers in Vermont who indicated they fully supported the NAIC model regulation. In addition, the NAIC performed a great deal of outreach in developing the model rule. Going forward, the Department will continue to engage stakeholders and the public by participating in the required Vermont APA process. The Department plans to hold one hearing.

4. BEYOND GENERAL ADVERTISEMENTS, PLEASE LIST THE PEOPLE AND ORGANIZATIONS THAT HAVE BEEN OR WILL BE INVOLVED IN THE DEVELOPMENT OF THE PROPOSED RULE:

In addition to the APA-required notice and hearing requirement, the Department continues to engage stakeholders throughout the rulemaking process, including the NAIC, and representatives from the annuity industry, including insurers and providers. The

Public Input

following individuals and organizations have thus far been involved in the development of the proposed rule:

- The NAIC
- National Life Insurance Co.
- American College of Life Insurers

SUITABILITY IN ANNUITY TRANSACTIONS

RULE

DFR REGULATION NO. I-2023-01

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Section 1. Purpose

- A. The purpose of this rule is to require producers, as defined in this rule, to act in the best interest of the consumer when making a recommendation of an annuity and to require insurers to establish and maintain a system to supervise recommendations so that the insurance needs and financial objectives of consumers at the time of the transaction are effectively addressed.
- B. Nothing herein shall be construed to create or imply a private cause of action for a violation of this rule or to subject a producer to civil liability under the best interest standard of care outlined in Section 6 of this rule or under standards governing the conduct of a fiduciary or a fiduciary relationship.
- C. This rule sets forth the standards for the sale of annuities in Vermont and should be read with the requirements of 8 V.S.A. § 4724(16) and other applicable Vermont laws including but not limited to the Insurance Trade Practices Act, 8 V.S.A. §§ 4721 *et seq.* Nothing precludes an insurer from exceeding the requirements of this rule.
- D. A recommendation to purchase or sell products defined as securities under the Vermont Uniform Securities Act is the offering of investment advice. A person who offers investment advice must be registered with the Vermont Securities Division. See Insurance Bulletin 198, Securities Bulletin S-2018-01.

Section 2. Scope

This rule shall apply to any sale or recommendation of an annuity-

Section 3. Authority

This rule is issued under the authority of 8 V.S.A. §§ 10, 15(a), 3843, 4721-4728, 4804(a), 4812 and 4813c(c).

Section 4. Exemptions

Unless otherwise specifically included, this rule 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 rule;
- 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; or
 - (4) A nonqualified deferred compensation arrangement established or maintained by an employer or plan sponsor;
- C. Settlements of or assumptions of liabilities associated with personal injury litigation or any dispute or claim resolution process; or
- D. Formal prepaid funeral contracts.

Section 5. Definitions

- 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.
- B. “Cash compensation” means any discount, concession, fee, service fee, commission, sales charge, loan, override, or cash benefit received by a producer in connection with the recommendation or sale of an annuity from an insurer, intermediary, or directly from the consumer.
- C. “Commissioner” means the Commissioner of the Department of Financial Regulation.
- D. “Consumer profile information” means information that is reasonably appropriate to determine whether a recommendation addresses the consumer’s financial situation, insurance needs and financial objectives, including, at a minimum, the following:

- (1) Age;
 - (2) Annual income;
 - (3) Financial situation and needs, including debts and other obligations and any reasonably anticipated future changes in financial situation and needs;
 - (4) Financial experience;
 - (5) Insurance needs;
 - (6) Financial objectives;
 - (7) Intended use of the annuity;
 - (8) Financial time horizon;
 - (9) Existing assets or financial products, including investment, annuity and insurance holdings;
 - (10) Liquidity needs;
 - (11) Liquid net worth;
 - (12) Risk tolerance, including but not limited to, willingness to accept non-guaranteed elements in the annuity;
 - (13) Financial resources used to fund the annuity; and
 - (14) Tax status.
- E. “Continuing education credit” or “CE credit” means one continuing education credit as required by 8 V.S.A. § 4800a.
- F. “Continuing education provider” or “CE provider” means an individual or entity that is approved to offer continuing education courses pursuant to 8 V.S.A. § 4800a(g).
- G. “FINRA” means the Financial Industry Regulatory Authority or a succeeding agency.
- H. “Insurer” means a company required to be licensed under the laws of this state to provide insurance products, including annuities.
- I. “Intermediary” means an entity contracted directly with an insurer or with another entity contracted with an insurer to facilitate the sale of the insurer’s annuities by producers.

- J. (1) “Material conflict of interest” means a financial interest of the producer in the sale of an annuity that a reasonable person would expect to influence the impartiality of a recommendation.
- (2) “Material conflict of interest” does not include cash compensation or non-cash compensation.
- K. “Non-cash compensation” means any form of compensation that is not cash compensation, including, but not limited to, health insurance, office rent, office support and retirement benefits.
- L. “Non-guaranteed elements” means the premiums, credited interest rates (including any bonus), benefits, values, dividends, non-interest based credits, charges or elements of formulas used to determine any of these, that are subject to company discretion and are not guaranteed at issue. An element is considered non-guaranteed if any of the underlying non-guaranteed elements are used in its calculation.
- M. “Producer” means a person or entity required to be licensed under the laws of this state to sell, solicit or negotiate insurance, including annuities. For purposes of this rule, “producer” includes an insurer where no producer is involved.
- N. (1) “Recommendation” means advice provided by a producer to an individual consumer that was intended to result or does result in a purchase, an exchange or a replacement of an annuity in accordance with that advice.
- (2) Recommendation does not include general communication to the public, generalized customer services assistance or administrative support, general educational information and tools, prospectuses, or other product and sales material.
- O. “Replacement” means a transaction in which a new annuity is to be purchased, and it is known or should be known to the proposing producer, or to the proposing insurer whether or not a producer is involved, that by reason of the transaction, an existing annuity or other insurance policy has been or is to be any of the following:
- (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.

- P. “SEC” means the United States Securities and Exchange Commission.

Section 6. Duties of Insurers and Producers

- A. **Best Interest Obligations.** A producer, when making a recommendation of an annuity, shall act in the best interest of the consumer under the circumstances known at the time the recommendation is made, without placing the producer’s or the insurer’s financial interest ahead of the consumer’s interest. A producer has acted in the best interest of the consumer if they have satisfied the following obligations regarding care, disclosure, conflict of interest and documentation:
- (1) (a) **Care Obligation.** The producer, in making a recommendation shall exercise reasonable diligence, care and skill to:
 - (i) Know the consumer’s financial situation, insurance needs and financial objectives;
 - (ii) Understand the available recommendation options after making a reasonable inquiry into options available to the producer;
 - (iii) Have a reasonable basis to believe the recommended option effectively addresses the consumer’s financial situation, insurance needs and financial objectives over the life of the product, as evaluated in light of the consumer profile information; and
 - (iv) Communicate the basis or bases of the recommendation.
 - (b) The requirements under subparagraph (a) of this paragraph include making reasonable efforts to obtain consumer profile information from the consumer prior to the recommendation of an annuity.
 - (c) The requirements under subparagraph (a) of this paragraph require a producer to consider the types of products the producer is authorized and licensed to recommend or sell that address the consumer’s financial situation, insurance needs and financial objectives. This does not require analysis or consideration of any products outside the authority and license of the producer or other possible alternative products or strategies available in the market at the time of the recommendation. Producers shall be held to standards applicable to producers with similar authority and licensure.
 - (d) The requirements under this subsection do not create a fiduciary obligation or relationship and only create a regulatory obligation as established in this rule.
 - (e) The consumer profile information, characteristics of the insurer, and product costs, rates, benefits and features are those factors generally relevant in making a determination whether an annuity effectively addresses

the consumer's financial situation, insurance needs and financial objectives, but the level of importance of each factor under the care obligation of this paragraph may vary depending on the facts and circumstances of a particular case. However, each factor may not be considered in isolation.

- (f) The requirements under subparagraph (a) of this paragraph include having a reasonable basis to believe the consumer would benefit from certain features of the annuity, such as annuitization, death or living benefit or other insurance-related features.
- (g) The requirements under subparagraph (a) of this paragraph apply to the particular annuity as a whole and the underlying subaccounts to which funds are allocated at the time of purchase or exchange of an annuity, and riders and similar producer enhancements, if any.
- (h) The requirements under subparagraph (a) of this paragraph do not mean the annuity with the lowest one-time or multiple occurrence compensation structure shall necessarily be recommended.
- (i) The requirements under subparagraph (a) of this paragraph do not mean the producer has ongoing monitoring obligations under the care obligation under this paragraph, although such an obligation may be separately owed under the terms of a fiduciary, consulting, investment advising or financial planning agreement between the consumer and the producer.
- (j) In the case of an exchange or replacement of an annuity, the producer shall consider the whole transaction, which includes taking into consideration whether:
 - (i) 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 or other transactional costs;
 - (ii) The replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product; and
 - (iii) The consumer has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding 60 months.
- (k) Nothing in this rule should be construed to require a producer to obtain any license other than a producer license with the appropriate line of authority to sell, solicit or negotiate insurance in this state, including but not limited to any securities license, in order to fulfill the duties and obligations contained in this rule; provided the producer does not give advice or provide

services that are otherwise subject to securities laws or engage in any other activity requiring other professional licenses.

(2) Disclosure obligation.

(a) Prior to the recommendation or sale of an annuity, the producer shall prominently disclose to the consumer on the Insurance Agent (Producer) Disclosure for Annuities form attached hereto as Appendix A, or other similar form approved by the Commissioner:

(i) A description of the scope and terms of the relationship with the consumer and the role of the producer in the transaction;

(ii) An affirmative statement on whether the producer is licensed and authorized to sell the following products:

(I) Fixed annuities;

(II) Fixed indexed annuities;

(III) Variable annuities;

(IV) Life insurance;

(V) Mutual funds;

(VI) Stocks and bonds; and

(VII) Certificates of deposit;

(iii) An affirmative statement describing the insurers the producer is authorized, contracted (or appointed), or otherwise able to sell insurance products for, using the following descriptions:

(I) From one insurer;

(II) From two or more insurers; or

(III) From two or more insurers although primarily contracted with one insurer.

(iv) A description of the sources and types of cash compensation and non-cash compensation to be received by the producer, including whether the producer is to be compensated for the sale of a recommended annuity by commission as part of premium or other remuneration received from the insurer, intermediary or other producer or by fee as a result of a contract for advice or consulting services; and

- (v) A notice of the consumer's right to request additional information regarding cash compensation described in subparagraph (b) of this paragraph;
- (b) Upon request of the consumer or the consumer's designated representative, the producer shall disclose:
 - (i) A reasonable estimate of the amount of cash compensation to be received by the producer, which may be stated as a range of amounts or percentages; and
 - (ii) Whether the cash compensation is a one-time or multiple occurrence amount, and if a multiple occurrence amount, the frequency and amount of the occurrence, which may be stated as a range of amounts or percentages; and
- (c) Prior to or at the time of the recommendation or sale of an annuity, the producer shall have a reasonable basis to believe the consumer has been informed of various features of the annuity, such as the potential surrender period and surrender charge, potential tax penalty if the consumer sells, exchanges, surrenders or annuitizes the annuity, mortality and expense fees, investment advisory fees, any annual fees, potential charges for and features of riders or other options of the annuity, limitations on interest returns, potential changes in non-guaranteed elements of the annuity, insurance and investment components and market risk.
- (3) Conflict of interest obligation. A producer shall identify and avoid or reasonably manage and disclose material conflicts of interest, including material conflicts of interest related to an ownership interest.
- (4) Documentation obligation. A producer shall at the time of recommendation or sale:
 - (a) Make a written record of any recommendation and the basis for the recommendation subject to this rule;
 - (b) Obtain a consumer signed statement on the Consumer Refusal to Provide Information form attached hereto as Appendix B, or other similar form approved by the Commissioner, documenting:
 - (i) A customer's refusal to provide the consumer profile information, if any; and
 - (ii) A customer's understanding of the ramifications of not providing his or her consumer profile information or providing insufficient consumer profile information; and

- (c) Obtain a consumer signed statement on the Consumer Decision to Purchase an Annuity NOT Based on a Recommendation form attached hereto as Appendix C, or other similar form approved by the Commissioner, acknowledging the annuity transaction is not recommended if a customer decides to enter into an annuity transaction that is not based on the producer's recommendation.
- (5) Application of the best interest obligation. Any requirement applicable to a producer under this subsection shall apply to every producer who has exercised material control or influence in the making of a recommendation and has received direct compensation as a result of the recommendation or sale, regardless of whether the producer has had any direct contact with the consumer. Activities such as providing or delivering marketing or educational materials, product wholesaling or other back office product support, and general supervision of a producer do not, in and of themselves, constitute material control or influence.

B. Transactions not based on a recommendation.

- (1) Except as provided under paragraph (2), a producer shall have no obligation to a consumer under subsection A(1) 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 consumer profile 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 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.

C. Supervision system.

- (1) Except as permitted under subsection B, an insurer may not issue an annuity recommended to a consumer unless there is a reasonable basis to believe the annuity would effectively address the particular consumer's financial situation, insurance needs and financial objectives based on the consumer's consumer profile information.
- (2) An insurer shall establish and maintain a supervision system that is reasonably designed to achieve the insurer's and its producers' compliance with this rule, including, but not limited to, the following:

- (a) The insurer shall establish and maintain reasonable procedures to inform its producers of the requirements of this rule and shall incorporate the requirements of this rule into relevant producer training manuals;
- (b) The insurer shall establish and maintain standards for producer product training and shall establish and maintain reasonable procedures to require its producers to comply with the requirements of section 7 of this rule;
- (c) The insurer shall provide product-specific training and training materials which explain all material features of its annuity products to its producers;
- (d) The insurer shall establish and maintain procedures for the review of each recommendation prior to issuance of an annuity that are designed to ensure there is a reasonable basis to determine that the recommended annuity would effectively address the particular consumer's financial situation, insurance needs and financial objectives. 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 establish and maintain reasonable procedures to detect recommendations that are not in compliance with subsections A, B, D and E. This may include, but is not limited to, confirmation of the consumer's consumer profile information, systematic customer surveys, producer and consumer interviews, confirmation letters, producer statements or attestations and programs of internal monitoring. Nothing in this subparagraph prevents an insurer from complying with this subparagraph by applying sampling procedures, or by confirming the consumer profile information or other required information under this section after issuance or delivery of the annuity;
- (f) The insurer shall establish and maintain reasonable procedures to assess, prior to or upon issuance or delivery of an annuity, whether a producer has provided to the consumer the information required to be provided under this section;
- (g) The insurer shall establish and maintain reasonable procedures to identify and address a pattern of, or otherwise suspicious, consumer refusals to provide consumer profile information;
- (h) The insurer shall establish and maintain reasonable procedures to identify and eliminate any sales contests, sales quotas, bonuses, and non-cash compensation that are based on the sales of specific annuities within a limited period of time. The requirements of this subparagraph are not intended to prohibit the receipt of health insurance, office rent, office

support, retirement benefits or other employee benefits by employees as long as those benefits are not based upon the volume of sales of a specific annuity within a limited period of time; and

- (i) The insurer shall annually provide a written 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.
- (3) (a) Nothing in this subsection restricts an insurer from contracting for performance of a function (including maintenance of procedures) required under this subsection. An insurer is responsible for taking appropriate corrective action and may be subject to sanctions and penalties pursuant to section 8 of this rule 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 this subsection 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.
- (4) An insurer is not required to include in its system of supervision:
 - (a) A producer's recommendations to consumers of products other than the annuities offered by the insurer; or
 - (b) Consideration of or comparison to options available to the producer or compensation relating to those options other than annuities or other products offered by the insurer.

D. Prohibited Practices. Neither a producer nor an insurer shall dissuade, or attempt to dissuade, a consumer from:

- (1) Providing consumer profile information and truthfully responding to an insurer's request for confirmation of the consumer profile information;
- (2) Filing a complaint; or
- (3) Cooperating with the investigation of a complaint.

E. Safe harbor.

- (1) Recommendations and sales of annuities by financial professionals made in compliance with comparable standards shall satisfy the requirements under this rule. This subsection applies to all recommendations and sales of annuities made by financial professionals in compliance with business rules, controls and procedures that satisfy a comparable standard even if such standard would not otherwise apply to the product or recommendation at issue . However, nothing in this subsection shall limit the insurance commissioner’s ability to investigate and enforce the provisions of this rule.
- (2) Nothing in paragraph (1) shall limit the insurer’s obligation to comply with Section 6C(1) of this rule, although the insurer may base its analysis on information received from either the financial professional or the entity supervising the financial professional.
- (3) For paragraph (1) to apply, an insurer shall:
 - (a) Monitor the relevant conduct of the financial professional seeking to rely on paragraph (1) or the entity responsible for supervising the financial professional, such as the financial professional’s broker-dealer or an investment adviser registered under federal or state securities laws using information collected in the normal course of an insurer’s business; and
 - (b) Provide to the entity responsible for supervising the financial professional seeking to rely on paragraph (1), such as the financial professional’s broker-dealer or investment adviser registered under federal or state securities laws, information and reports that are reasonably appropriate to assist such entity to maintain its supervision system.
- (4) For purposes of this subsection, “financial professional” means a producer that is regulated and acting as:
 - (a) A broker-dealer registered under federal or state securities laws or a registered representative of a broker-dealer;
 - (b) An investment adviser registered under federal or state securities laws or an investment adviser representative associated with the federal or state registered investment adviser; or
 - (c) A plan fiduciary under Section 3(21) of the Employee Retirement Income Security Act of 1974 (ERISA) or fiduciary under Section 4975(e)(3) of the Internal Revenue Code (IRC) or any amendments or successor statutes thereto.
- (5) For purposes of this subsection, “comparable standards” means:

- (a) With respect to broker-dealers and registered representatives of broker-dealers, applicable SEC and FINRA rules pertaining to best interest obligations and supervision of annuity recommendations and sales, including, but not limited to, Regulation Best Interest and any amendments or successor regulations thereto;
- (b) With respect to investment advisers registered under federal or state securities laws or investment adviser representatives, the fiduciary duties and all other requirements imposed on such investment advisers or investment adviser representatives by contract or under the Investment Advisers Act of 1940 or applicable state securities law, including but not limited to, the Form ADV and interpretations; and
- (c) With respect to plan fiduciaries or fiduciaries, means the duties, obligations, prohibitions and all other requirements attendant to such status under ERISA or the IRC and any amendments or successor statutes thereto.

Section 7. Producer Training

- A. 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 may rely on insurer-provided product-specific training standards and materials to comply with this subsection.
- B.
 - (1)
 - (a) A producer who engages in the sale of 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) Producers who hold a life insurance line of authority on the effective date of this rule and who desire to sell annuities shall complete the requirements of this subsection within six (6) months after the effective date of this rule. Individuals who obtain a life insurance line of authority on or after the effective date of this rule 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 annuities and various classifications of annuities;
 - (b) Identification of the parties to an annuity;
 - (c) How product specific annuity contract features affect consumers;

- (d) The application of income taxation of qualified and non-qualified annuities;
 - (e) The primary uses of annuities; and
 - (f) Appropriate standard of conduct, sales practices, replacement 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 an 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 producer continuing education courses as set forth in 8 V.S.A. § 4800a.
- (6) A producer who has completed an annuity training course approved by the department of insurance prior to [insert effective date of amended rule] shall, within six (6) months after [insert effective date of amended rule], complete either:
- (a) A new four (4) credit training course approved by the department of insurance after [insert effective date of amended rule]; or
 - (b) An additional one-time one (1) credit training course approved by the department of insurance and provided by the department of insurance-approved education provider on appropriate sales practices, replacement and disclosure requirements under this amended rule.
- (7) Annuity training courses may be conducted and completed by classroom or self-study methods in accordance with 8 V.S.A. § 4800a.
- (8) Providers of annuity training shall comply with the reporting requirements and shall issue certificates of completion in accordance with 8 V.S.A. § 4800a.
- (9) 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.
- (10) The satisfaction of the components of the training requirements of any course or courses with components substantially similar to the provisions of this subsection shall be deemed to satisfy the training requirements of this subsection in this state.
- (11) An insurer shall verify that a producer has completed the 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. Compliance Mitigation; Penalties; Enforcement

- A. An insurer is responsible for compliance with this rule. If a violation occurs, either because of the action or inaction of the insurer or its producer, the commissioner may order:
 - (1) An insurer to take reasonably appropriate corrective action for any consumer harmed by a failure to comply with this rule by the insurer, an entity contracted to perform the insurer’s supervisory duties or by the producer;
 - (2) A general agency, independent agency or the producer to take reasonably appropriate corrective action for any consumer harmed by the producer’s violation of this rule; and
 - (3) Appropriate penalties and sanctions.
- B. A violation of this rule shall be considered to be a violation of the Insurance Trade Practices Act as set forth at 8 V.S.A. § 4721 *et seq.*
- C. The authority to enforce compliance with this rule is vested exclusively with the commissioner.

Section 9. Recordkeeping

- A. In addition to the requirements of VT Ins. Regulation 99-1, “Records Retention,” and the requirements of VT Ins. Regulation I-2001-03, “Life Insurance and Annuities Replacement Regulation,” insurers, general agents, independent agencies and producers shall maintain or be able to make available to the commissioner records of the information collected from the consumer, disclosures made to the consumer, including summaries of oral disclosures, and other information used in making the recommendations that were the basis for insurance transactions, and records demonstrating insurers’ compliance with the supervision and training requirements of this rule, for five 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 a producer.
- 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.

Section 10. Effective Date

The amendments to this rule shall take effect [DATE TO BE INSERTED AT ADOPTION – 6 MONTHS AFTER ADOPTION].

APPENDIX A

INSURANCE AGENT (PRODUCER) DISCLOSURE FOR ANNUITIES
Do Not Sign Unless You Have Read and Understand the Information in this Form

Date: _____

INSURANCE AGENT (PRODUCER) INFORMATION (“Me”, “I”, “My”)

First Name: _____

Last Name: _____

Business\Agency Name: _____

Website: _____

Business Mailing Address: _____

Business Telephone Number: _____

Email Address: _____

National Producer Number in Vermont: _____

CUSTOMER INFORMATION (“You”, “Your”)

First Name: _____

Last Name: _____

What Types of Products Can I Sell You?

I am licensed to sell annuities to you in accordance with state law. If I recommend that You buy an annuity, it means I believe that it effectively meets Your financial situation, insurance needs, and financial objectives. Other financial products, such as life insurance or stocks, bonds and mutual funds, also may meet Your needs.

I offer the following products:

- Fixed or Fixed Indexed Annuities
- Variable Annuities
- Life Insurance

I need a separate license to provide advice about or to sell non-insurance financial products. I have checked below any non-insurance financial products that I am licensed and authorized to provide advice about or to sell.

- Mutual Funds
- Stocks/Bonds

- Certificates of Deposits

Whose Annuities Can I Sell to You?

I am authorized to sell:

<input type="checkbox"/> Annuities from Only One (1) Insurer	<input type="checkbox"/> Annuities from Two or More Insurers
<input type="checkbox"/> Annuities from Two or More Insurers although I primarily sell annuities from:	

How I’m Paid for My Work:

It’s important for You to understand how I’m paid for my work. Depending on the particular annuity You purchase, I may be paid a commission or a fee. Commissions are generally paid to Me by the insurance company while fees are generally paid to Me by the consumer. If You have questions about how I’m paid, please ask Me.

Depending on the particular annuity You buy, I will or may be paid cash compensation as follows:

- Commission, which is usually paid by the insurance company or other sources. If other sources, describe: _____.
- Fees (such as a fixed amount, an hourly rate, or a percentage of your payment), which are usually paid directly by the customer.
- Other (Describe): _____

If you have questions about the above compensation I will be paid for this transaction, please ask me.

I may also receive other indirect compensation resulting from this transaction (sometimes called “non-cash” compensation), such as health or retirement benefits, office rent and support, or other incentives from the insurance company or other sources.

By signing below, You acknowledge that You have read and understand the information provided to You in this document.

Customer Signature

Date

Agent (Producer) Signature

Date

APPENDIX B

CONSUMER REFUSAL TO PROVIDE INFORMATION

Do Not Sign Unless You Have Read and Understand the Information in this Form

Why are you being given this form?

You're buying a financial product – an annuity.

To recommend a product that effectively meets your needs, objectives and situation, the agent, broker, or company needs information about you, your financial situation, insurance needs and financial objectives.

If you sign this form, it means you have not given the agent, broker, or company some or all the information needed to decide if the annuity effectively meets your needs, objectives and situation. You may lose protections under the Insurance Code of Vermont if you sign this form or provide inaccurate information.

Statement of Purchaser:

- I **REFUSE** to provide this information at this time.
- I have chosen to provide LIMITED information at this time.

Customer Signature

Date

APPENDIX C

Consumer Decision to Purchase an Annuity NOT Based on a Recommendation

Do Not Sign This Form Unless You Have Read and Understand It.

Why are you being given this form? You are buying a financial product – an annuity.

To recommend a product that effectively meets your needs, objectives and situation, the agent, broker, or company has the responsibility to learn about you, your financial situation, insurance needs and financial objectives.

If you sign this form, it means you know that you're buying an annuity that was not recommended.

Statement of Purchaser:

I understand that I am buying an annuity, but the agent, broker or company did not recommend that I buy it. If I buy it **without a recommendation**, I understand I may lose protections under the Insurance Code of Vermont.

Customer Signature

Date

Agent/Producer Signature

Date

From: [Mazza-Paquette, Melissa](#)
To: [Adler, Jared](#); [Atwood, Brendan](#); [Brown, Sean](#); [Dubuque, Nicole](#); [Kessler, John](#); [Mojo, Jennifer](#); [Obuchowski, Mike](#); [Sherman, Diane](#); [Dindo, Charlene](#); [Corliss, Louise](#); [SOS - VSARA Statutory Filings](#); [ella.spottswood](#); [Stevens, Rachel](#); [Sarah Buxton](#); [Samuelson, Jennifer](#); [Greene, Jay \(they/them\)](#); [Davis, Xusana](#); [Macel, Stan](#); [Borcherding, Hillary](#); [Block, Mary](#); [Weill, Natalie \(she/her\)](#); [Antoine, Christopher](#); [Burke, Ana \(she/her/hers\)](#); [Leavitt, Suzanne](#); [Cota, Pamela](#); [Scott, Carolyn L](#); [Ritzer, Deirdra](#); [Provencher, Lynda](#); [Donovan, Shawn](#); [Erik Fitzpatrick](#); [Hatt, Kyle](#); [Seman, Jessica](#)
Subject: 09/11/23 Draft ICAR Minutes
Date: Wednesday, September 13, 2023 10:12:24 AM

Good morning,

Please be advised that the draft minutes from Monday's ICAR meeting are available online at <https://aoa.vermont.gov/ICAR#Meetings>.

Thank you,
Melissa

Melissa Mazza-Paquette

Personal pronouns: she/her ([more info on pronouns](#)) | Private Secretary

Office of the Secretary of Administration

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