



SPECIFIC SOLUTIONS, INC.

The Life, Annuity, Long Term Care, & Disability Income Problem Solvers

New York State Suitability and Best Interest – Regulation 187

New York State has finalized the new Best Interest regulation with all annuity transactions becoming effective August 1, 2019. Compliance with all Life Insurance transactions will take place in the beginning of next year February 20, 2020. All agents selling annuities in the state of New York must act in the “best interest” of the client when recommending any new policy, replacing any inforce policy and recommending any inforce policy transaction.

The regulation states (in summary): “In recommending a sales transaction to a consumer the purchase or replacement of an annuity contract, the 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 the consumer’s investments and other insurance policies or contracts and as to the consumer’s financial situation and needs, including the consumer’s suitability information, and that shall act in the best interest of the consumer.”

In recommending an in-force transaction to a consumer, the producer, or the insurer where no producer is involved, shall act in the best interest of the consumer. “The producer, or insurer where no producer is involved, acts in the best interest of the consumer when: the producer’s or insurer’s recommendation to the consumer reflects the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use under the circumstances then prevailing. Only the interests of the consumer shall be considered in making the recommendation, and there is a reasonable basis to believe the consumer has been reasonably informed of the relevant features of the policy and potential consequences of the in-force transaction, both favorable and unfavorable. A producer shall not make a recommendation to a consumer to enter into an in-force transaction about which the producer has inadequate knowledge.”

All agents must complete the NYS Best Interest & Suitability Training prior to taking any annuity applications starting August 1, 2019 This is in addition to any company specific training that may be required. Training is available thru **RegEd** <https://secure.reged.com/TrainingPlatform/>

Once you have completed your training, please forward us a copy of your course completion, by fax (716) 632-6051 or email at agency@specificsolutions.com

In addition to the training, insurance carriers are updating their application suitability forms to comply with the new regulation. Please make sure that you are using current applications. If you have any questions please give us a call at (716) 632-7777.