



# SPECIFIC SOLUTIONS, INC.

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

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## New York State Suitability and Best Interest – Regulation 187

New York State has finalized the new Best Interest regulation with all life transactions becoming effective February 1, 2020. All agents selling life 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 life applications starting February 1, 2020 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](mailto:agency@specificsolutions.com)

Specific Solutions has set up a website to help answer questions on regulation 187. The website will URL’s for both state training and product specific training. Carriers continue to update us on what they will require, please check this page frequently to make sure you have the most up to date information. You can visit this website at [www.specificsolutions.com/reg187](http://www.specificsolutions.com/reg187)

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.