

# Standard Care: Best Interest

## Annuity Suitability Model: Talking Points

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### Talking Points

- ◆ The updated NAIC Suitability Model, incorporating the best interest standard of care, is one of the most important NAIC consumer protection initiatives in the last 20 years.
- ◆ The Best Interest Standard ensures that customers' interests are put first and that they continue to have access to advice and choices on engaging with financial professionals.
- ◆ Financial professionals must put their client's financial interests ahead of their own.
- ◆ The revised model law provides compliance, clarity, and consistency of financial services by defining specific obligations and requirements to satisfy the standard.
- ◆ For financial professionals, there are clear obligations for disclosures, potential conflicts of interest, and understanding of the consumers' needs and objectives.
- ◆ The revised model aligns well with its federal counterpart – SEC's Regulation Best Interest. Together, these two initiatives significantly enhance protections for consumers nationwide who seek guaranteed lifetime income in retirement through annuities.
- ◆ Uniform adoption aligns with the NAIFA's goal of a uniform and standardized sales process for producers across the country.
- ◆ NAIFA's Code of Ethics, to which every member pledges, includes the principle: "To work diligently to satisfy the needs of my clients by acting in their best interest."
- ◆ There is widespread insurance industry support for the Best Interest Standard of Care in annuity transactions.

### Additional Questions? Contact Us.

For additional questions or assistance, please contact the NAIFA State Government Relations, Bianca Alonso Weiss at [bweiss@naifa.org](mailto:bweiss@naifa.org) or visit [advocacy.naifa.org](http://advocacy.naifa.org).