

Nebraska Department of Insurance
Guidance Document
IGD - - F6

Title: Annuity Training for Producers Engaging in the Sale of Annuity Products

Issue Date: October 20, 2022

Previously: Issued as CB-128, October 8, 2021

Notice: This guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

The purpose of this guidance document is to respond to inquiries received by Nebraska Department of Insurance (NDOI) about annuity training requirements for insurance producers wanting to sell annuity products. The NDOI's responses are provided in a Question-and-Answer format. Following the adoption of the National Association of Insurance Commissioners (NAIC) 2021 amendments, this guidance document follows the updated Suitability in Annuity Transactions Model Regulations.

Q: Did Nebraska adopt the NAIC's 2020 amendments to its Suitability in Annuity Transactions Model Regulation (NAIC Model)?

A: Yes, Nebraska Unicameral adopted the most recent revisions to the NAIC Model, which was adopted by the NAIC in the spring of 2020. LB 22 amended the previous Nebraska Protection in Annuity Transactions Act (Act), NEB.REV.STAT. §§ 44-8101 to 44-8109 and took effect on April 7, 2021. Copies of those statutes are available at the Nebraska Legislature's website Located at <http://nebraskalegislature.gov/>.

Q: What are the new annuity training requirements for insurance producers?

A: An insurance producer who wants to sell annuity products will complete a one time four-credit training course approved by the NDOI and provided by a Nebraska-approved continuing education provider. A producer can take a four-credit course about the appropriate sales practices and replacement and disclosure requirements under the Nebraska Protection in Annuity Transactions Act.

Q: Are non-resident insurance producers also required to complete the annuity training requirements?

A: Yes, if the non-resident insurance producer plans to sell annuity products in Nebraska. The completion of another state's annuity training requirements by a non-resident producer will fulfill the training requirements in Nebraska if the other state's training requirements follow similarly to Nebraska's requirements under the Act.

Q: What topics must be covered by an annuity training course?

A: Any annuity training course needs to cover the following topics set out in the Act:

- (1) The types of annuities and various classifications of annuities
- (2) Identification of the parties to an annuity
- (3) How fixed, variable, and indexed annuity contract provisions affect consumers
- (4) The application of income taxation of qualified and non-qualified annuities
- (5) The primary uses of annuities
- (6) Appropriate sales practices and requirements for replacement and disclosures

Q: Is the annuity training requirements a continuing education (CE) requirement?

A: No, this is a training requirement for those wanting to sell annuity products. However, resident insurance producers who take the annuity training course may use the credits for their overall CE requirements under NEB.REV.STAT. § 44-3904. The annuity training must be submitted by a Nebraska-approved continuing education provider and follow the requirements set under NEB.REV.STAT. § 44-3905 and Nebraska Insurance Regulation Chapter 38. Insurance producers may complete annuity training courses in the classroom or by self-study methods.

Q: Does a producer need to keep a certificate of completion of the training course?

A: Yes, the insurer may ask the producer to provide a certificate of completion to keep their responsibilities under the Act. The NDOI will not track the training course completions of producers because it is the insurers' responsibility to verify that they completed the course.

Q: Where can a producer find a Nebraska-approved training course?

A: All approved courses will be listed on the NDOI's website at <http://sbs.naic.org/solar-external-lookup/>.

Questions about this guidance document may be direct to the Producer Licensing Division at (402) 471-2201.