

WAC 284-17-265 Sales of annuities—Producer training. (1) A

person may not sell, solicit, or negotiate the sale of an annuity product unless he or she is licensed as a producer with the life insurance line of authority and has successfully completed the annuity suitability training, which includes the best interest standards, that meets the requirements of this section.

(2)(a) After January 1, 2024, before selling, soliciting, or negotiating the sale of annuity products, all producers must complete a one-time, four-credit annuity suitability training course, which includes the best interest standards, approved by the commissioner and provided by a state approved insurance education provider, that meets the requirements in this section.

(b) If a person has completed an annuity suitability training course before January 1, 2024, but that course did not include the best interest standards, then the person must complete either the four-credit course in (a) of this section, or an additional one-hour (or credit) course, approved by the commissioner and provided by a state approved insurance education provider, which meets the requirements in this section, within six months after January 1, 2024.

(c) Persons who obtain a life insurance line of authority on or after January 1, 2024, may not sell, solicit, or negotiate the sale of an annuity product until the annuity suitability training course, with best interest standards, has been completed.

(3)(a) The annuity suitability training required under this section shall include information on the following topics:

(i) The types of annuities and various classifications of annuities;

(ii) Identification of the parties to an annuity;

(iii) How fixed, variable, and indexed annuity contract provisions affect consumers;

(iv) The application of income taxation of qualified and nonqualified annuities;

(v) The primary uses of annuities;

(vi) Appropriate sales practices, replacement, and disclosure requirements; and

(vii) Best interest standards.

(b) The training required in this section must be sufficient to qualify for at least four continuing education credits.

(c) The training required in this section may be completed by either classroom instruction, self-study, or webinar in accordance with WAC 284-17-210 through 284-17-286.

(d) The producer education required by this section must not include training that is issuer or company product specific or includes any sales or marketing information and materials.

(e) Approved providers offering the annuity suitability education required by this section must administer the course, issue certificates of completion, report completed training to the commissioner, and maintain records as required by WAC 284-17-270 through 284-17-312.

(4)(a) Resident producers that complete the required training of this section and which are approved in this state may count those credits toward fulfillment of their Washington continuing education requirement.

(b) A resident or nonresident producer completing the required annuity suitability training of this section, which includes the best interest standards, in another state shall be deemed as satisfying this state's requirement. A resident producer completing the required

training of this section, before January 1, 2024, in another state will not receive Washington continuing education credit, unless the provider and course are approved by Washington.

(5) Each insurer must verify that a producer has completed the annuity suitability training, with best interest standards, required in this section before allowing the producer to sell an annuity product for that insurer. An insurer may satisfy its responsibility under this section by obtaining certificates of completion of the training course, reports provided by commissioner-sponsored database systems or vendors, or reports from a reasonably reliable commercial database vendor that has a reporting arrangement with approved insurance education providers.

(6) For purposes of this section, "producer" has the meaning set forth in RCW 48.23.015, unless the context clearly requires otherwise.

(7) 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. This requirement is in addition to and not in lieu of the annuity suitability training, with best interest standards, required by this section.

[Statutory Authority: RCW 48.02.060(3), 48.23.015(8), and 2023 c 64. WSR 23-23-049 (Matter R 2023-05), § 284-17-265, filed 11/7/23, effective 1/1/24. Statutory Authority: RCW 48.02.060. WSR 12-19-100 (Matter No. R 2012-20), § 284-17-265, filed 9/19/12, effective 10/20/12. Statutory Authority: RCW 48.02.060 and 48.23.015(8). WSR 12-06-019 (Matter No. R 2011-23), § 284-17-265, filed 2/28/12, effective 3/30/12.]