



## Department of Business Regulation

### *Insurance Division*

1511 Pontiac Avenue, Bldg. 69-2  
Cranston, Rhode Island 02920

# Insurance Bulletin Number 2021-1

## Annuity and Long Term Care Producer Training

This Bulletin replaces Insurance Bulletin Number 2011-2.

Both the Long Term Care statute and the Annuity Suitability regulation provide for substantive training of producers prior to the sale, solicitation or negotiation of long term care insurance or annuity contracts. The Long Term Care requirements first became effective in 2007 and Rhode Island has been following a “good faith compliance” standard as outlined in [Insurance Bulletin 2007-10](#). Insurers and producers should follow the requirements of this bulletin for compliance with the Long Term Care training requirements of R.I. Gen. Laws § 27-34.2-21. The Annuity Suitability requirement first became effective 02/01/2006. The Annuity training requirements were modified in December 2020, see Part 1.7 of [230-RICR-20-25-1](#).

### Long Term Care

In order to sell, solicit or negotiate long term care insurance in Rhode Island a properly licensed insurance producer must take a one time 8-hour training course. Thereafter, all producers selling, soliciting or negotiating long-term care insurance must take a 4-hour ongoing training course every twenty-four months. Both the 8-hour and the 4-hour courses must be pre-approved by the Department or approved by a state with substantially similar training requirements. Approved Long Term Care Approved Training Courses can be found via a “Lookup Search” on the Department’s [website](#). Courses taken prior to June 1, 2011 are governed by the provisions of Insurance Bulletin 2007-10 and do not have to be pre-approved by the Department.

### Annuity Suitability

The Rhode Island Insurance Division has adopted changes to its Annuity Suitability Regulation, 230-RICR-20-25-1. This new rule requires producers to put the needs of their clients first and to act in their clients’ best interest. Changes to this rule are effective as of April 1, 2021.

Part 1.7 of the new Rule requires substantive training of a properly licensed insurance producer. These training courses must be approved by the Department under the course group “Annuity Suitability-Best Interest” and approved courses can be found via a “Lookup Search” on the Department’s [website](#). A producer who has already taken the former annuity suitability training must, within six (6) months of April 1, 2021 take either the new “Annuity Products-Best Interest” one (1) time four (4) credit training course or a one (1) time one (1) credit training course in order to sell, solicit or negotiate annuities in Rhode Island. The availability of the one (1) time one (1) credit training course will expire on September 30, 2021.

The Department has received inquiries as to whether it would permit producers to complete this required training prior to the new Rule’s effective date of April 1, 2021. Yes, the Department has approved the new “Annuity Products-Best Interest” courses in advance of the April 1, 2021 effective

date, and approved courses taken before April 1, 2021 will be deemed taken after April 1, 2021 for purposes of compliance with the regulation.

The Department notes carriers have previously relied on the effective date of the regulation to determine whether an appointed producer has met the substantive training requirements for sale of certain insurance products. It is possible that if a producer completes a training course prior to the regulation's effective date that a carrier may have difficulty affirming whether the new "best interest training course has been completed by producers, and that confusion could require carriers to ask producers to repeat training courses prior to appointments or prior to accepting sales as a result. Therefore, the Department is revising this Bulletin to inform carriers, producers, and other interested parties that "Annuity Products-Best Interest" courses approved by the Department for continuing education meets the substantive training requirements as outlined in the amendments to 230-RICR-20-25-1.7(B)(6). Providers of these courses are required to submit completion of course credits electronically via the Department's [State Based Systems](#) electronic platform and the transcripts of producers will reflect the following minimum data: date taken, course group ("Annuity Products-Best Interest"), course name, provider name, and course credits. Carriers may rely on a producer's individual transcript when making producer appointments.

Finally, if a producer takes a course approved by another state that has adopted the NAIC Best Interest suitability updates, that will likely count for purposes of meeting this Rhode Island regulation's requirement. If a producer completes an approved annuity suitability course in a state other than Rhode Island, it may not be necessary to also take the Rhode Island approved course. The annuity suitability course completed must comply with state regulations for annuity suitability training in the state in which it was given. Rhode Island will accept any course approved by a state that the NAIC has identified as having adopted the revised annuity regulation. A listing of those states can be found at the at the Suitability Model Implementation Tracking Chart appended to the end of the model regulation available on the NAIC website under the Model Laws, Regulations and Guidelines on the NAIC's website at [www.naic.org](http://www.naic.org) (note that the listing is not always current) or may be accessed by the hyperlink in this bulletin (<https://content.naic.org/sites/default/files/inline-files/MDL-275.pdf>) .

#### Evidence of Compliance with Long Term Care and Annuity Suitability

Individual producers are required to maintain records of the completed course. Insurers are required to monitor compliance and assure that all persons selling, soliciting or negotiating long term care and/or annuity products are in compliance with the substantive training requirements. Compliance with substantive training requirements will be verified through market conduct examinations and random audit of licensees. The Department does not compile information regarding specific courses completed by individual producers. Insurers should therefore confirm this information directly with their appointed producer.

Questions concerning these procedures should be directed to (401) 462 9520, prompt #2 or [DBR.InsLic@dbr.ri.gov](mailto:DBR.InsLic@dbr.ri.gov).

Elizabeth Kelleher Dwyer  
Superintendent of Insurance

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