

## Amended NY Regulation 187 Frequently Asked Questions

### Questions regarding Individual Life Insurance

#### 1. As a producer, what are my responsibilities under the amended regulation?

- Producers have an obligation to make recommendations that are in the best interests of customers. According to Reg. 187, a “recommendation” is defined as “one or more statements or acts by a producer to a customer that 1) may be reasonably interpreted by a customer to be advice and that results in a customer entering into or refraining from entering into a transaction in accordance with that advice; or 2) is intended by the producer to result in a customer entering into or refraining from entering into a transaction.” A transaction is considered to be in the best interest of a customer when it is based on an evaluation of the relevant suitability information of the customer and 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. Lastly, only the interests of the customer may be considered when making a recommendation.
- Beginning February 1, 2020, all producers must complete a Reg. 187 training course in order to submit New York Securian Life Insurance Company life insurance applications. Note that the regulation went into effect on August 1, 2019 for Individual annuity applications.
- Finally, a producer must maintain all records related to the producer’s compliance with Reg. 187, including but not limited to records demonstrating compliance with the best interest, disclosure, and training obligations imposed by Reg. 187. This includes documentation and disclosure regarding the relevant suitability considerations and product information, the basis for any recommendation made, and any refusal of the customer to provide suitability information.

#### 2. Do the producer or insurer obligations under Reg. 187 apply to business transacted in a state other than NY?

The regulation applies to sales and in-force recommendations to customers with respect to policies delivered or issued for delivery in New York. The regulation does not apply to recommendations made to prospective customers or owners of policies delivered or issued for delivery in other states.

#### 3. When does the new NY Reg. 187 training program become available and when must it be completed?

The required NY Reg. 187 best interest training is now available. This will allow you to complete it in advance of the February 1, 2020 effective date if you so choose. Please see the attached [link](#) for more information regarding how to access this training module.

#### 4. Will the Securian Life approved Reg. 187 best interest training for individual life insurance also apply to annuities?

Yes. In addition, the Reg. 187 best interest training need only be completed once. Producers who have previously completed this training in order to comply with the already effective annuities requirements do not need to repeat the training.

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### **5. If I complete the NY Reg. 187 training through another training provider other than LIMRA/LOMA, will Securian Life accept that training?**

It depends. NY Reg. 187 best interest training provided through established and reputable training organizations will be accepted. You can find a list of NY-approved training providers at: [www.dfs.ny.gov/apps\\_and\\_licensing/agents\\_and\\_brokers/annuity\\_transactions\\_training\\_requirements](http://www.dfs.ny.gov/apps_and_licensing/agents_and_brokers/annuity_transactions_training_requirements).

Please note that Securian Life will not accept any “proprietary”, self-developed channel partner or carrier-specific Reg. 187 training. In order to determine whether or not you have satisfactorily completed training, you will be asked to provide a certificate that verifies the training provider and completion of the course.

### **6. When does the Securian Life product training required under the regulation become available and when must it be completed?**

The required Securian Life product training will be available by mid-January 2020. This will allow you to complete it in advance of the February 1, 2020 effective date if you so choose. Please go to <https://learn.questce.com> to access this training material. Note that this training must be completed no later than January 31, 2020. If training is not completed by this time, execution of recommended transactions will be delayed until the appropriate training has been completed.

### **7. If I complete the required Securian Life product training through another training provider other than Quest CE, will Securian Life accept that training?**

No. Securian Life will not accept any proprietary or self-developed product training that has been instituted by a channel partner or another carrier.

### **8. What should I expect from Securian Life with regard to the new carrier suitability review process required under Reg. 187 for individual life insurance?**

Securian Life is in the process of establishing a suitability review function for individual life insurance and more information will be provided as we get closer to NY’s required compliance date. In the meantime, please make note of the following:

- A new NY Financial Supplement form will be included as part of the Securian Life application package. This form must be completed and submitted along with other required forms at the time of application submission.
- Securian Life will review the information on the NY Financial Supplement form in combination with other data provided on the application in order to determine whether the product is suitable for the customer.
- If Securian Life determines the sale was not suitable, and/or if the form has not been completed appropriately, additional information may be requested from the financial professional.

### **9. Who should I contact with additional questions?**

Prior to February 1, 2020, questions regarding Reg. 187 should be directed to your Securian National Account Manager. After that date, additional Securian Life resources will be available through Contracts and Licensing and/or the Life New Business suitability review team.