

Jolie,

The Department of Insurance and Financial Services (DIFS) offers the following comments regarding the Annuity Suitability Draft Revisions for consideration.

- In **Section 5**, Definitions, I: “Intermediary” is defined as: entity contracted with the insurance company to facilitate the sale of an annuity. If we are going to include the definition of an intermediary, then we should include “intermediaries” in **Section 6 (H)**: *An insurer shall establish a supervision system that is reasonably designed to achieve the insurer’s, its insurance producers’ **and intermediaries**, compliance with this regulation, including, but not limited to, the following:*
- In addition to the disclosures required under **Section 6** of this regulation, *an insurance producer or an insurer*, where no producer is involved, shall disclose to the consumer information regarding the non-cash compensation that exceeds *\$100 per producer per year the producer* receives from an insurer or intermediary. The beginning part of this paragraph refers to “an insurance producer or an insurer, where no producer is involved”, but the disclosure refers only to a producer. If no producer is involved, what does the insurer need to disclose?
- In **Section 6: Duties of Insurers and of Insurance Producers**: B. (2) Evaluate **and document** the types of financial products which correspond to the consumer’s disclosed suitability information and address the consumer’s financial objectives; and
- In **Section 11**, (formerly Section 9): **Recordkeeping**: A. Insurers, general agents, independent agencies and insurance producers shall maintain or be able to make available to the commissioner records of the information collected from the consumer, disclosures made to the consumer, **the specific products compared** and other information used in making the recommendations that were the basis for insurance transactions ...

Please let me know if you have any questions.

Cathy

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