

Sprouting Activity at the NAIC

April 10, 2017

Various NAIC groups have planted seeds for a number of regulatory initiatives that impact life insurers.

- The Cybersecurity Task Force has been tilling the ground in preparation for a third draft of the NAIC Cybersecurity Model, which it hopes will be in full bloom by the Spring National Meeting.
- The Life Insurance and Annuities (A) Committee working groups are examining ways to improve the soil for consumers.
- The Annuity Suitability (A) Working Group is starting at the ground level, convening for the first time at the Spring National Meeting, and opening the Suitability in Annuity Transactions Model for possible changes, including adding a best interest standard.
- The Annuity Disclosure (A) Working Group is examining whether changes should be made to the illustration requirements to allow for illustrations of other varieties of annuities.
- The Promoting Appropriate Sales Practices in Life Insurance and Annuities (A) Working Group will survey insurance regulators as to: (i) whether any misuse of senior or other designations are not adequately pruned by the NAIC Model Regulation on the Use of Senior Specific Certifications and Professional Designations, and (ii) any comments on the NAIC Model Consumer Alert on senior specialists and free lunch seminars.
- The Life Insurance Buyer's Guide (A) Working Group is considering creating a decision tree to help consumers decide what variety of life insurance product to purchase and adding questions on whether the producer has a fiduciary duty to the consumers or is providing conflicted advice.

It also looks like the NAIC will prune some recent activities:

- Based in part on the recent impasses requiring a tiebreaking vote, the Unclaimed Life Insurance Benefits (A) Working Group may be clipped.
- Similarly, work on a continuum of actions chapter for the Market Regulation Handbook may be trimmed.

Authored By



Ann Young Black



Thomas C. Lauerman

Related Practices

[Financial Services Regulatory](#)
[Cybersecurity and Privacy](#)

Related Industries

[Life, Annuity, and Retirement Solutions](#)

©2024 Carlton Fields, P.A. Carlton Fields practices law in California through Carlton Fields, LLP. Carlton Fields publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information and educational purposes only, and should not be relied on as if it were advice about a particular fact situation. The distribution of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship with Carlton Fields. This publication may not be quoted or referred to in any other publication or proceeding without the prior written consent of the firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our Contact Us form via the link below. The views set forth herein are the personal views of the author and do not necessarily reflect those of the firm. This site may contain hypertext links to information created and maintained by other entities. Carlton Fields does not control or guarantee the accuracy or completeness of this outside information, nor is the inclusion of a link to be intended as an endorsement of those outside sites.