



Field
Update



May 5, 2011

From: Maureen Closson, Senior Vice President and Chief Compliance Officer

Five States Adopt Continuing Education Requirements

Five states – North Dakota, Ohio, Oregon, Rhode Island and Washington DC – have adopted the same or similar requirements to the NAIC's new Model Suitability Rule.

The Rule requires all insurance producers selling or soliciting annuity products to obtain a four-hour continuing education course from an APPROVED vendor. This is a one-time requirement and is not a condition of license renewal.

In addition, the Rule prohibits insurance producers from soliciting an annuity application unless the producer has adequate knowledge about the product and the producer is in compliance with the issuing insurer's standards for product training.

Under Aviva's current standards for product training the producer must have utilized the product specific materials made available by Aviva to gain an adequate knowledge of the product or products being recommended.

Aviva Implements New Product-Specific Training

Aviva is implementing a new required product-specific training that will also provide the information needed to have adequate knowledge about Aviva's products. Producers who hold a life insurance line of authority issued prior to the effective date of the respective states (see chart below) will have additional time to complete the new product specific training course, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.

Although existing producers licensed prior to the effective dates have additional time to complete these new training requirements, **all producers are encouraged to complete the required trainings as soon as possible.** All producers licensed after the effective dates must complete both trainings prior to soliciting business.

(continued)

Important Training Deadlines

NEW STATE ADOPTIONS

State	Citation	Effective Date	Existing Producer Training Deadline	Important Information
North Dakota	Section 26.1-34.2	08/01/2011	08/01/2012	<ul style="list-style-type: none"> ND producers who obtain a life insurance line of authority on or after 8/01/2011 must complete both training courses before soliciting an annuity application. ND producers holding a life insurance line of authority issued prior to 8/1/11 will be given 12 months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Ohio	Rule 3901-6-13	07/01/2011	01/01/2012	<ul style="list-style-type: none"> OH producers who obtain a life insurance line of authority on or after 7/01/2011 must complete both training courses before soliciting an annuity application. OH producers holding a life insurance line of authority issued prior to 7/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Oregon	Rule 836-080-0170	07/01/2011	01/01/2012	<ul style="list-style-type: none"> OR producers who obtain a life insurance line of authority on or after 7/01/2011 must complete both training courses before soliciting an annuity application. OR producers holding a life insurance line of authority issued prior to 7/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Rhode Island	Rule 12	06/01/2011	12/01/2011	<ul style="list-style-type: none"> RI producers who obtain a life insurance line of authority on or after 6/01/2011 must complete both training courses before soliciting an annuity application. RI producers holding a life insurance line of authority issued prior to 6/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Washington DC	Rule 8400	06/24/2011	12/24/2011	<ul style="list-style-type: none"> DC producers who obtain a life insurance line of authority on or after 6/24/2011 must complete both training courses before soliciting an annuity application. DC producers holding a life insurance line of authority issued prior to 6/24/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.

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Important Training Deadlines Continued

PREVIOUSLY ANNOUNCED STATE ADOPTIONS				
State	Citation	Effective Date	Existing Producer Training Deadline	Important Information
Colorado	Rule 4-1-11	04/01/2011 ¹	10/01/2011	<ul style="list-style-type: none"> • CO producers who obtain a life insurance line of authority on or after 4/01/2011 must complete both training courses before soliciting an annuity application. • CO producers holding a life insurance line of authority issued prior to 4/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Iowa	IAC 191-15.68	01/01/2011 ¹	05/01/2011	<ul style="list-style-type: none"> • IA producers appointed after January 1, 2011, must complete both the 4 hour CE course and the product-specific training prior to soliciting an annuity application. • Existing IA producers appointed prior to effective date must have completed BOTH trainings by May 1, 2011, in order to avoid interruption with processing applications.
Oklahoma	Rule 25	07/13/2010 ²	07/14/2011	<ul style="list-style-type: none"> • OK producers that held a life insurance line of authority prior to July 13, 2010, must complete the four-hour continuing education course by July 14, 2011. • OK producers who had a life insurance line of authority on or after July 14, 2010, must complete the training prior to selling an annuity. In addition, all producers regardless of license date must complete the Aviva product specific training requirements by July 14, 2011 to continue to sell annuity products. If either training is not completed by July 14, 2011, your business will be returned.
Wisconsin	WI Stat 628.347	05/01/2011 ¹	11/01/2011	<ul style="list-style-type: none"> • WI producers who obtain a life insurance line of authority on or after 5/01/2011 must complete both training courses before soliciting an annuity application. • WI producers holding a life insurance line of authority issued prior to 5/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.

¹ Please refer to [existing communications](#) for Iowa, Colorado and Wisconsin training that is currently required.

² Oklahoma required training law was effective prior to solicitation for any agent licensed after July 14, 2010. Refer to [existing communication](#).

(continued)

Aviva, RegEd Partner to Provide Training

Aviva has partnered with RegEd to provide both components of the required training. Both the four-hour continuing education course on annuities and the Aviva product specific course(s) must be completed to be considered in compliance with the new Rule.

Access to Required Training

For all submitted contracting paperwork after the effective date, by new producers, an appointment confirmation e-mail will be sent to the person or team who submitted the contracting paperwork, providing a website link and instructions on how to access Aviva's training via RegEd.

If the producer's e-mail address was provided, Aviva will also e-mail the link to the producer. Please note that if the producer did not provide an e-mail address, the person or team who submitted the contracting paperwork is responsible for communicating with the producer regarding how to access the training.

The e-mail will link to an introductory page providing a brief overview of the Rule and training requirements. After reviewing this information, the producer will be directed to the [RegEd](#) site to log in to complete the training. Annuity applications solicited by newly-appointed producers after the effective date must be dated at least one day after the completion date of the training.

Existing producers who have provided Aviva with a valid e-mail address will receive this same e-mail. Existing agents can also access this same information and a link to the RegEd site by clicking on the "NAIC Annuity Suitability Training via RegEd" link located in the upper left-hand corner of the agent portal landing page. Existing producers are required to complete the training as soon as possible but no later than the date for each respective state listed above.

Producers who have completed the four-hour continuing education course through another approved provider DO NOT have to take the course again. New producers who have completed the course may provide a copy of the approved course certificate with the appointment application.

Existing producers may fax a copy of the certificate with his/her agent code included to Aviva's Licensing Department at 800-531-0038. Producers are still required to complete the Aviva-specific product training found on the RegEd site prior to taking an application.

Higher Standards for Insurers and Producers

In addition to the required training, the new Rule clarifies that both insurers and producers are held to a higher suitability standard in the case of an exchange or replacement of an annuity.

(continued)

The Customer Identification and Suitability Confirmation Worksheet and the Annuity Product Comparison Worksheet document the required factors under the Rule that must be taken into consideration when determining suitability and whether the consumer would benefit from the replacing product's enhancements and improvements.

The Customer Identification and Suitability Confirmation Worksheet 17341 (9/09) or (11/10) has already been required with each annuity application. **Effective January 1, 2011, the [Annuity Product Comparison Worksheet 17290 \(9/10\)](#) or the appropriate pre-populated version is required for all applications involving an exchange or replacement of an annuity, in all states.**

Not only will the use of the forms meet the compliance requirement, doing so will also speed up the suitability review and issuance process. These forms are available on the Agent Portal.

If you have questions regarding the training requirements or the suitability requirements, please contact Annuity Sales Support at 800-255-2405, ext. 6620 or refer to our helpful [Frequently Asked Questions](#) regarding this implementation.

Thank you for your commitment to Aviva! We look forward to continuing to work with you.



Field
Update



November 15, 2010

To: Key Distribution Partners and Iowa Producers

From: Maureen Closson, Senior Vice President and Chief Compliance Officer

Re: Iowa Administrative Rule 191-15 Update

[Annuity Training Requirements](#)

Effective January 1, 2011, Iowa Administrative Rule 191-15.72 requires all Insurance Producers selling or soliciting annuity products to obtain an additional four (4) continuing education credits from an APPROVED vendor offering an Annuity Products Course. This is a one-time requirement and is not a condition of license renewal. In addition, the state of Iowa will also be requiring agents to take product specific training before soliciting an annuity application effective January 1, 2011. Product specific training will be provided by insurance carriers. Please note, these requirements are separate from the existing training required under rule 15.80 for indexed insurance products.

Licensed producers currently appointed with Aviva USA in the state of Iowa will be required to complete the new 4 hour annuity specific training requirement and the applicable product training course(s) no later than May 1, 2011, to avoid any interruption in processing annuity new business with Aviva USA.

Licensed producers seeking appointment with Aviva USA in the state of Iowa after January 1, 2011 must complete the new 4 hour annuity specific training requirement and the applicable product training course(s) prior to solicitation. The existing Iowa indexed insurance products training is also required. **Proof of completion of all required courses is needed prior to appointment activation with Aviva USA and prior to solicitation of any new annuity applications.**

Training Requirements:

Iowa Agents seeking Appointment after 1/1/11	Iowa Agents with Existing Appointments
- 4 hour Iowa Index product training course	- NEW 4 hour annuity products CE course
- NEW 4 hour annuity products CE course	- NEW carrier provided product specific course
- NEW carrier provided product specific course	Reminder: Agents should not solicit the sale of an annuity product unless they have adequate knowledge of the product to recommend the annuity.
Iowa annuity applications may be solicited only after completion of the training. Aviva will accept applications dated one day after the completion of the training.	

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[Annuity Suitability Requirements](#)

Iowa Administrative Rule 191-15.71, also effective January 1, 2011, clarifies that both insurers and insurance producers are held to a higher suitability standard in the case of an exchange or replacement of an annuity. The Customer Identification and Suitability Confirmation Worksheet and the Annuity Product Comparison Worksheet document the required factors under rule 15.71 that must be taken into consideration when determining suitability and whether the consumer would benefit from the replacing product's enhancements and improvements.

Effective January 1, 2011, the Customer Identification and Suitability Confirmation Worksheet 17341 (9/09) or (11/10) will be required with each annuity application and the Annuity Product Comparison Worksheet 17290 (9/10) will be required for all applications involving an exchange or replacement of an annuity. Not only will the use of the form meet this new compliance requirement, doing so will also speed up the suitability review and issuance process. These new forms are available on the Agent Portal.

Aviva USA is developing training and tools to assist agents in meeting these requirements. We will provide more information on these tools as it becomes available. If you have questions regarding the training requirements or the suitability requirements please contact Annuity Sales Support at 800-255-2405 ext 6620.



Field
Update



March 30, 2011

Colorado Adopts NAIC Model Suitability Rule

With the NAIC's adoption of a new Model Suitability Rule, Colorado has taken action to adopt the same or substantially similar requirements in Rule 4-1-11 which is effective April 1, 2011. Along with the training requirements, this rule clarifies that both insurers and insurance producers are held to a higher suitability standard in the case of an exchange or replacement of an annuity. The Customer Identification and Suitability Confirmation Worksheet and the Annuity Product Comparison Worksheet document the required factors under rule 4-1-11 that must be taken into consideration when determining suitability and whether the consumer would benefit from the replacing product's enhancements and improvements.

As previously communicated, beginning January 1, 2011, the [Annuity Product Comparison Worksheet](#) (generic form #17290 (9/10) or the appropriate pre-populated version) has been required for all replacement applications in all states. However, over the past few months, we've been working with individual agents on applications submitted without comparison worksheets to ensure contracts were issued in a timely manner, while agents adjusted to this new requirement.

Please note that effective **April 1, 2011** in Colorado we will no longer allow any contracts to be issued until the properly completed product comparison worksheet is received at Aviva.

If you have questions regarding the suitability requirements please contact Annuity Sales Support at 800-255-2405 ext 6620.



Field
Update



April 26, 2011

From: Maureen Closson, Senior Vice President and Chief Compliance Officer

Continuing Education Training Required for All Wisconsin Insurance Producers

Aviva has communicated to you previously regarding Wisconsin adopting a new annuity suitability requirement that is substantially similar to the NAIC's new Annuity Suitability Model Regulation. Wisconsin law requires all insurance producers selling or soliciting annuity products to complete a four-hour continuing education course offered by an APPROVED vendor. This is a one-time requirement and is not a condition of license renewal. In addition, the Wisconsin law specifically prohibits insurance producers from soliciting an annuity application in the state of Wisconsin unless the producer has adequate knowledge about the product and/or products being solicited and the producer is in compliance with the issuing insurer's standards for product training.

Continuing Education and Aviva's Product Specific Training

Producers who obtain a life insurance line of authority in Wisconsin on or after May 1, 2011, must complete both a four hour continuing education course offered and Aviva's new product specific training prior to soliciting an annuity application in Wisconsin.

Wisconsin producers holding a life insurance line of authority issued prior to May 1, 2011, will be given until November 1, 2011, to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken. Under Aviva's current standards for product training the producer must have utilized the product specific materials made available by Aviva to gain an adequate knowledge of the product or products being recommended.

Although Wisconsin producers licensed prior to May 1, 2011, have until November 1, 2011 to complete these new training requirements, all producers are encouraged to complete the required training as soon as possible.

Aviva, RegEd Partner to Provide Training

Aviva has partnered with RegEd to provide both components of the required training. Both the four hour continuing education course on annuities and the Aviva product specific course(s) must be completed as described above in order for the producer and Aviva to be considered compliant.

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Upon receipt of contracting paperwork for a new producer, Aviva will process the appointment and email the up line the appointment confirmation along with a link that will provide the producer with instructions on how to access Aviva's training via RegEd. If the producer's email address was provided, Aviva will also send an email with the link to the producer. If the producer did not provide an email address, the up line is responsible for communicating to the producer. For existing producers that request an appointment, Aviva will follow the same process.

The email links to an introductory page providing a brief overview of the law and training requirements. After reviewing this information, producers are directed to the RegEd site to log in to complete the training.

Annuity applications solicited by the producer must be dated at least one day after the completion date of the trainings.

Prior Continuing Education Accepted

If a producer has completed the four hour continuing education course through another approved provider, a new producer may provide a copy of the approved course certificate with the appointment application and an existing producer may fax a copy of the certificate with his/her producer code included to Aviva USA's Licensing Department at 800-531-0038. The producer must also complete the Aviva specific product training found on the RegEd site prior to taking an application.

Higher Standard for Insurers and Producers

In addition to the required training, the Wisconsin law clarifies that both insurers and producers are held to a higher suitability standard in the case of an exchange or replacement of an annuity. The Customer Identification and Suitability Confirmation Worksheet and the Annuity Product Comparison Worksheet document the required factors under the Model that must be taken into consideration when determining suitability and whether the consumer would benefit from the replacing product's enhancements and improvements.

The [Customer Identification and Suitability Confirmation Worksheet 17341](#) (9/09) or (11/10) has already been required with each annuity application. Effective January 1, 2011, the [Annuity Product Comparison Worksheet 17290](#) (9/10) or the appropriate pre-populated version is required for all applications involving an exchange or replacement of an annuity, in all states. Not only will the use of the forms meet the compliance requirement, doing so will also speed up the suitability review and issuance process. These forms are available on the Agent Portal.

If you have questions regarding the training requirements or the suitability requirements, please contact Annuity Sales Support at 800-255-2405, ext. 6620. Thank you for your commitment to Aviva!

We look forward to continuing to work with you.



Field
Update



May 5, 2011

From: Maureen Closson, Senior Vice President and Chief Compliance Officer

Continuing Education Training Required for all Oklahoma Insurance Producers

As previously communicated to you, [Oklahoma adopted training requirements](#) that annuity producers must complete in order to sell annuities in Oklahoma. The effective date of the training was July 15, 2010.

The Rule requires all insurance producers selling or soliciting annuity products to obtain a four-hour continuing education course from an APPROVED vendor. This is a one-time requirement and is not a condition of license renewal. In addition, the Rule requires producers to complete product specific training.

Aviva will be providing the required training for our products. Aviva has partnered with [RegEd](#) to provide both components of the required training. In addition, Oklahoma has collaborated with Sircon to provide the four-hour continuing education course. You may complete the four-hour continuing education course from either vendor.

Producers Required to Complete Training

For producers that held an existing Oklahoma license effective prior to July 13, 2010, the four-hour continuing education course must be completed by July 14, 2011. Any producer who was licensed on or after July 14, 2010, must complete the training prior to selling an annuity. In addition, all producers regardless of license date, must complete the Aviva product specific training requirements by July 14, 2011 to continue to sell annuity products.

If either training is not completed by July 14, 2011, your business will be returned. Annuity applications solicited by the producer after July 14, 2011, must be dated at least one day **after** the completion date of the training. Therefore, to avoid any interruption in your ability to sell with Aviva we encourage you to complete both trainings as soon as possible.

Access to Required Training

Upon receipt of contracting paperwork for a new producer, Aviva will process the appointment and email the up line the appointment confirmation along with a link that will provide the producer with instructions on how to access Aviva's training via RegEd. If the producer's email address was provided, Aviva will also send an email with the link to the producer. If the producer did not provide an email address, the up line is responsible for communicating to the producer. For existing producers that request an appointment, Aviva will follow the same process.

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The email links to an introductory page providing a brief overview of the new Rule and training requirements. After reviewing this information, your producers will be directed to the RegEd site to log in to complete the training.

If you have questions regarding the training requirements or the suitability requirements, please contact Annuity Sales Support at 800-255-2405, ext. 6620.

Thank you for your commitment to Aviva! We look forward to continuing to work with you.



Annuity Product Comparison Worksheet

Please complete separate forms for any additional contracts being replaced.

Owner Name _____

Product Specs and Features	Replaced Contract	2nd Replaced Contract (If applicable)	Proposed Contract
1. Name of Company			
2. Type of Contract			
3. Contract Number			
4. Date of Issue			
5. Initial Premium	\$ _____	\$ _____	\$ _____
6. Bonus	\$ _____	\$ _____	\$ _____ <input type="checkbox"/> N/A
7. Bonus Recapture Charge	Current year ____% or <input type="checkbox"/> N/A	Current year ____% or <input type="checkbox"/> N/A	1st year ____% or <input type="checkbox"/> N/A
8. Current Accumulated Value	\$ _____	\$ _____	
9. Current Surrender Value	\$ _____	\$ _____	
10. Surrender Charge Schedule for Remaining Years			
11. Free Withdrawal Percentage			
12. Market Value Adjustment	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
13. Annual Minimum Guaranteed Interest Rate			
14. Death Benefit	<input type="checkbox"/> Lump Sum <input type="checkbox"/> Annuitized \$ _____	<input type="checkbox"/> Lump Sum <input type="checkbox"/> Annuitized \$ _____	<input type="checkbox"/> Lump Sum <input type="checkbox"/> Annuitized
15. Interest Crediting Method	<input type="checkbox"/> fixed ____% ____ yrs. <input type="checkbox"/> indexed (describe strategy) _____	<input type="checkbox"/> fixed ____% ____ yrs. <input type="checkbox"/> indexed (describe strategy) _____	<input type="checkbox"/> fixed ____% ____ yrs. <input type="checkbox"/> indexed (describe strategy) _____
16. Terminal Illness Waiver			
17. Confinement Waiver			
18. Other Waivers			
19. Riders Attached to the Contract (example: income, death benefit)			
20. Writing Agent			

21. Please list other features compared and considered, if any: _____

22. How will the replacement contract better assist you in meeting your insurance needs and financial objectives?
 Lifetime Income Payout Interest Rates/Index Credit Potential Penalty-free Death Benefit
 Change in Financial Objective Enhanced Benefits Increased Liquidity Multiple Index Options
 Immediate Income Other - Please Explain _____

23. Have you exchanged any annuities within the preceding 36 months? Yes No
 If Yes, please explain _____

- You should understand:
- You may or may not be able to overcome any surrender charge incurred due to the replacement of your existing contract.
 - Once the existing contract is replaced, you may or may not be able to reinstate that contract.
 - That the annuity you are applying for will have a withdrawal charge on any withdrawals over the free withdrawal amount provided in the contract during the withdrawal charge period.

I have reviewed and compared the contract provisions of the existing annuity contract to the annuity contract I am applying for and believe this is appropriate for me according to my current insurance needs and financial objectives.

Prospective Owner Signature _____ Date _____ Prospective Joint Owner Signature _____ Date _____

Producer's Signature _____ Date _____





Annuity Product Comparison Worksheet

Explanation of Terms

1. **"Name of Company"** is the name of the insurer/carrier of the contract being replaced.
2. **"Type of Contract"** is the generic name of the contract that is being replaced. Examples of "Types of Contracts" are Fixed Indexed Annuity (FIA), Fixed (Declared rate) Annuity, Single Premium Immediate Annuity (SPIA), and Variable Annuity (VA).
3. **"Contract Number"** is the alphanumeric or numeric code given to you by the insurer to identify your policy.
4. **"Date of Issue"** is the original date for which the anniversary of the replaced contract is driven.
5. **"Initial Premium"** is the amount of money placed in the contract as of the Date of Issue.
6. **"Bonus"** is any Premium or Interest Rate bonus paid by the insurer at inception of the annuity contract and may be expressed as a percentage of the initial premium or other amount, or a dollar amount, as stated in the annuity contract.
7. **"Bonus Recapture Charge"** is an additional surrender percentage that is charged if contract is surrendered or any withdrawals exceeding the "free withdrawal" limit.
8. **"Current Accumulated Value"** is the amount of money that generally consists of "Initial Premium" plus any "Premium Bonus" and interest credited to the contract minus withdrawals taken from the contract.
9. **"Current Surrender Value"** is the amount of money a client can walk away with if the contract is fully surrendered. It generally consists of the current accumulated value minus applicable surrender charges and any applicable Market Value Adjustment ("MVA").
10. **"Surrender Charge Schedule for Remaining Years"** the percentage rate per year remaining in the surrender charge schedule that would be deducted from the existing annuity contract if surrendered, or any withdrawals exceeding the "free withdrawal percentage".
11. **"Free Withdrawal Percentage"** is the withdrawal percentage that may be taken from the annuity's accumulated value that is not subject to surrender charges and/or MVA.
12. **"Market Value Adjustment"** is the increase or decrease in the surrender value of the contract (if applicable) that is made by the insurer to reflect changes in interest rate conditions between the issue date and the surrender date.
13. **"Annual Guaranteed Minimum Interest Rate"** is the annual guaranteed minimum interest rate (if any) the insurer credits to the accumulated value of the annuity contract as stated in the contract.

14. **“Death Benefit”** is the net amount that is payable to the designated beneficiary or beneficiaries of the annuity contract. “Lump Sum” and “Annuitized” refer to whether the indicated death benefit amount is payable to the beneficiary as a lump sum, or whether the indicated death benefit amount is payable over a period of years.
15. **“Interest Crediting Method”** is the manner in which the insurer credits interest to the annuity, as specified in the contract, and the way they are currently allocated, designated by a percentage. Examples are fixed, 1 year point to point, monthly average, monthly cap etc.
16. **“Terminal Illness Waiver”** is a benefit that is generally built into individual annuity contracts, but can be added by a rider, endorsement or amendment. The benefits are triggered by a qualifying event associated with either the annuitant or owner, as specified by the contract. Example, Aviva’s “Terminal Illness Waiver” is based upon the annuitant of the contract and is included in the contract provisions. If the annuitant, is diagnosed with a terminal illness that is expected to result in death within one year and is in the 2nd year of the contract or greater, the owner may withdraw up to 100% of the “Current Accumulated Value” without surrender charges being applied.
17. **“Confinement Waiver”** is a benefit that is generally built into individual annuity contracts, but can be added by a rider, endorsement or amendment. The benefits are triggered by a qualifying event associated with either the annuitant or owner, as specified by the contract. Example, Aviva’s “Confinement Waiver” is based upon the annuitant of the contract and is included in the contract provisions. If the annuitant, is confined to a qualified care facility for 60 consecutive and is in the 2nd year of the contract or greater, the owner may withdraw up to 100% of the “Current Accumulated Value” without surrender charges being applied.
18. **“Other Waivers”** are benefits that are built into individual annuity contracts. The benefits are triggered by a qualifying event associated with either the annuitant or owner, as specified in the contact.
19. **“Riders Attached to the Contract”** is generally a benefit that can be added to customize the annuity contract and generally includes a fee. Some examples are Income riders, death benefit riders etc.
20. **“Writing Agent”** is the agent that wrote the replaced annuity contract. For purposes of this form, please include the name of the writing agent on the contract(s) being replaced.

For agent use only. Not for use with the general public.

Annuity Suitability Model

Frequently Asked Questions

Version 3



Below is information regarding Aviva's implementation of new training requirements for annuity sales. The training requirements are in accordance with the new NAIC Suitability Model, introduced in 2010.

1) Why are we implementing new training requirements?

Compliance with the NAIC new suitability training requirements is the basis for exemption from federal securities regulation. The new model regulation shifts the carrier responsibility from reviewing the agent's recommendation and determining it is reasonable, that it is suitable, and that it followed the suitability guidelines to the carrier being responsible for the product recommendation given for the clients' situation.

2) Are other insurance companies doing this too?

All carriers are required to comply with the regulation and each is implementing their own plan, many similar in scope to Aviva's.

3) How will the Model Regulation affect Aviva's operations?

Over the past few years, Aviva has implemented processes to address annuity suitability. This will make for an easier transition to the formal regulation for Aviva agents.

4) What does the training consist of?

The training requirement includes two elements: 1) a 4 hour continuing education (CE) course on annuities and sales practices, replacements and disclosure requirements; and 2) a product specific training course designed so that the agent has adequate knowledge to recommend the product. Each carrier is responsible for setting their training standard for the product specific training element.

5) How are other carriers adopting the NAIC suitability model?

Many carriers have taken a similar position as Aviva and are relying on the model to establish federal security regulation exemption. Each carrier is responsible for setting their training standard and implementation. Many carriers will rely upon third-parties to deliver the training requirements.

6) Does this apply to all annuities?

Yes.

7) Who needs to take the training? How will training requirements be handled for hierarchies/up lines? Does the entire hierarchy need to have training to allow business to be solicited by an agent in that hierarchy?

At this time, completion of the training will be required for the soliciting agent only.

8) What is the implementation timeline?

NAIC Suitability Model Adoption Chart

NEW STATE ADOPTIONS				
State	Citation	Effective Date	Existing Producer Training Deadline	Important Information
North Dakota	Section 26.1-34.2	08/01/2011	08/01/2012	<ul style="list-style-type: none"> • ND producers who obtain a life insurance line of authority on or after 8/01/2011 must complete both training courses before soliciting an annuity application. • ND producers holding a life insurance line of authority issued prior to 8/1/11 will be given 12 months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Ohio	Rule 3901-6-13	07/01/2011	01/01/2012	<ul style="list-style-type: none"> • OH producers who obtain a life insurance line of authority on or after 7/01/2011 must complete both training courses before soliciting an annuity application. • OH producers holding a life insurance line of authority issued prior to 7/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
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Rhode Island	Rule 12	06/01/2011	12/01/2011	<ul style="list-style-type: none"> • RI producers who obtain a life insurance line of authority on or after 6/01/2011 must complete both training courses before soliciting an annuity application. • RI producers holding a life insurance line of authority issued prior to 6/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Washington DC	Rule 8400	06/24/2011	12/24/2011	<ul style="list-style-type: none"> • DC producers who obtain a life insurance line of authority on or after 6/24/2011 must complete both training courses before soliciting an annuity application. • DC producers holding a life insurance line of authority issued prior to 6/24/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.

Please refer to [existing communication](#) for training that is currently required for the above states.

PREVIOUSLY ANNOUNCED STATE ADOPTIONS

State	Citation	Effective Date	Existing Producer Training Deadline	Important Information
Colorado	Rule 4-1-11	04/01/2011 ¹	10/01/2011	<ul style="list-style-type: none"> CO producers who obtain a life insurance line of authority on or after 4/01/2011 must complete both training courses before soliciting an annuity application. CO producers holding a life insurance line of authority issued prior to 4/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.
Iowa	IAC 191-15.68	01/01/2011 ¹	05/01/2011	<ul style="list-style-type: none"> IA producers appointed after January 1, 2011, must complete both the 4 hour CE course and the product-specific training prior to soliciting an annuity application. Existing IA producers appointed prior to effective date must have completed BOTH trainings by May 1, 2011, in order to avoid interruption with processing applications.
Oklahoma	Rule 25	07/13/2010 ²	07/14/2011	<ul style="list-style-type: none"> OK producers that held a life insurance line of authority prior to July 13, 2010, must complete the four-hour continuing education course by July 14, 2011. OK producers who had a life insurance line of authority on or after July 14, 2010, must complete the training prior to selling an annuity. In addition, all producers regardless of license date must complete the Aviva product specific training requirements by July 14, 2011 to continue to sell annuity products. If either training is not completed by July 14, 2011, your business will be returned.
Wisconsin	WI Stat 628.347	05/01/2011 ¹	11/01/2011	<ul style="list-style-type: none"> WI producers who obtain a life insurance line of authority on or after 5/01/2011 must complete both training courses before soliciting an annuity application. WI producers holding a life insurance line of authority issued prior to 5/1/11 will be given six months to complete BOTH training requirements, provided such producers are in compliance with Aviva's current standards for product training at the time the annuity application is taken.

¹ Please refer to [existing communications](#) for Iowa, Colorado and Wisconsin training that is currently required.

² Oklahoma required training law was effective prior to solicitation for any agent licensed after July 14, 2010. Refer to [existing communication](#).

9) Which vendor(s) has Aviva partnered with to provide the training?

Aviva has partnered with [RegEd](#) to provide the required training courses.

10) Where can agents obtain the training?

Agents can access the training online through the RegEd site as each respective state(s) becomes available. As the training is rolled out to each state, agents licensed and appointed in that state will receive an email from Aviva explaining how to access the training. Training can also be accessed through the agent portal.

11) How will we handle agents that complete the NAIC requirements of the 4 hour CE training through another approved provider?

If an agent has completed the 4 hour CE course through another approved provider, a new agent may provide a copy of the approved course certificate with the appointment application and an existing agent may fax a copy of the certificate with his/her agent code included to Aviva USA's Licensing Department at 800-531-0038. Aviva will only accept courses which are designated as meeting the NAIC suitability model training requirements. The agent must also complete the Aviva specific product training found on the RegEd site at least one day prior to taking an application.

12) What if an agent only completes one of the two parts of training?

The agent must complete both the 4 hour CE course and the Aviva product specific training course at least one day prior to solicitation to be in compliance with the training requirement.

13) What actions will be taken if the agent does not comply?

If the agent does not comply with the training requirement, he or she will be unable to solicit sales.

14) Will New Business return applications to agents who have not completed the training?

The application must be solicited and dated at least one day after the training requirement has been met. When Aviva receives an application our systems will check all compliance requirements. If any requirements have not been completed, Aviva will require a new application prior to policy issue.

15) How will applications with cash be handled? 1035 exchanges? Pending business?

Checks for annuity premium are deposited upon receipt. In the event that an agent does not meet the training requirements, the funds will be returned to the customer in the form of an Aviva check no longer than 90 days from date of receipt. 1035 exchanges will be handled on a case by case basis. If business is written and/or received prior to the training requirement date, the policy will be "grandfathered" and allowed to issue.

16) Where do I call for questions?

For questions please contact Annuity Sales Support 800 255-2405 ext. 6620.

17) How will Aviva provide reports to Key Distribution Partners for non-compliance with the Reg?

Aviva's tracking system will eventually provide the ability to run reports to determine which agents have not provided proof of compliance with the NAIC suitability training model training requirements. These reports will not be available until approximately April, 2011. Once available, and prior to each state's training completion deadline, Aviva will provide to KDPs a report indicating the appointed agents that still need to complete the NAIC suitability model training.

18) Why is the Annuity Product Comparison Worksheet mandatory?

The Annuity Product Comparison Worksheet will be mandatory for any replacement situation. Under the new Suitability Model suitability requirements and documentation for exchanges and replacements has expanded for both insurance carriers and producers.

The Annuity Product Comparison Worksheet verifies information that must be taken into consideration when determining whether or not the proposed product is suitable for the client's current situation and that the client would benefit from product enhancements and improvements.

19) Who is responsible for the fees associated with completing the training courses?

The fees associated with completing the product specific training course are covered by Aviva. The fees associated with completing the 4 hour CE course are the responsibility of the agent. Please note, some states offer free approved CE courses where as other states charge for the courses.