

A.R.S. § 20-1243

Current through all legislation of the 55th Legislature's 1st Regular session approved through March 23, 2021, including act chapter 95

LexisNexis® Arizona Annotated Revised Statutes > Title 20 Insurance (Chs. 1 — 29) > Chapter 6 Particular Types of Insurance (Arts. 1 — 18) > Article 1.3. Protection in Annuity Transactions (§§ 20-1243 — 20-1243.07)

20-1243. Definitions

In this article, unless the context otherwise requires:

1. "Annuity" means an annuity that is individually solicited, whether the product is classified as an individual or group annuity.
2. "Business entity" has the same meaning prescribed in [section 20-281](#).
3. "Cash compensation" means any discount, concession, fee, service fee, commission, sales charge, loan, override or cash benefit received by a producer in connection with the recommendation or sale of an annuity from an insurer or intermediary or directly from the consumer.
4. "Consumer profile information" means information that is reasonably appropriate to determine whether a recommendation addresses the consumer's financial situation, insurance needs and financial objectives, including at least the following:
 - (a) Age.
 - (b) Annual income.
 - (c) Financial situation and needs, including debts and other obligations.
 - (d) Financial experience.
 - (e) Insurance needs.
 - (f) Financial objectives.
 - (g) Intended use of the annuity.
 - (h) Financial time horizon.
 - (i) Existing assets or financial producers, including investment, annuity and insurance holdings.
 - (j) Liquidity needs.
 - (k) Liquid net worth.
 - (l) Risk tolerance, including willingness to accept nonguaranteed elements in the annuity.
 - (m) Financial resources used to fund the annuity.
 - (n) Tax status.
5. "Continuing education credit" means one continuing education credit hour as defined in [section 20-2901](#).
6. "Continuing education provider" means an individual or entity that is approved to offer continuing education courses pursuant to chapter 18 of this title.
7. "FINRA" means the financial industry regulatory authority or a succeeding agency.

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8. "Insurer" has the same meaning prescribed in [section 20-104](#).
9. "Intermediary" means an entity that is contracted directly with an insurer or with another entity that is contracted with an insurer to facilitate the sale of the insurer's annuities by producers.
10. "Managing general agent" has the same meaning prescribed in [section 20-311](#).
11. "Material conflict of interest":
- (a) Means a producer's financial interest in the sale of an annuity that a reasonable person would expect to influence the impartiality of the producer's recommendation.
 - (b) Does not include cash compensation or noncash compensation.
12. "Noncash compensation" means any form of compensation that is not cash compensation, including health insurance, office rent, office support and retirement benefits.
13. "Nonguaranteed elements" means the premiums, credited interest rates including any bonus, benefits, values, dividends, noninterest based credits, charges or elements of formulas used to determine any of these that are subject to company discretion and are not guaranteed at issue. An element is considered nonguaranteed if any of the underlying nonguaranteed elements are used in its calculation.
14. "Producer":
- (a) Means an insurance producer as defined in [section 20-281](#).
 - (b) Includes an insurer where no producer is involved.
15. "Recommendation":
- (a) Means advice provided by a producer to an individual consumer that was intended to result or does result in a purchase, exchange or replacement of an annuity pursuant to that advice.
 - (b) Does not include general communication to the public, generalized customer service assistance or administrative support, general education information and tools, prospectuses or other product and sales materials.
16. "Replacement" means a transaction in which a new annuity is to be purchased and it is known or should be known to the proposing producer or to the proposing insurer, whether or not a producer is involved, that by reason of the transaction, an existing annuity or other insurance policy has been or is to be any of the following:
- (a) Lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing insurer or otherwise terminated.
 - (b) Converted to reduced paid-up insurance, continued as extended term insurance or otherwise reduced in value by the use of nonforfeiture benefits or other policy values.
 - (c) Amended so as to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or which benefits would be paid.
 - (d) Reissued with any reduction in cash value.
 - (e) Used in a financed purchase.
17. "SEC" means the United States securities and exchange commission.

History

Last legislative year: 2006.

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Recent legislative history: Laws 2006, Ch. 172, § [1](#); [2017 1st Reg. Sess. Ch. 226, § 1](#), effective August 9, 2017; [2020 2nd Reg. Sess. Ch. 90, § 1](#), effective January 1, 2021.

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A.R.S. § 20-1243.02

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20-1243.02. Exemptions

Unless otherwise specifically included, this article does not apply to recommendations involving:

1. Direct response solicitations if there is no recommendation based on information collected from the consumer pursuant to this article.
2. Contracts used to fund any of the following:
 - (a) An employee pension or welfare benefit plan that is covered by the employee retirement and income security act of 1974 (P.L. 93-406; 88 Stat. 829; [29 United States Code sections 1001 through 1461](#)).
 - (b) A plan described by section 401(a), 401(k), 403(b), 408(k) or 408(p) of the internal revenue code, if established or maintained by an employer.
 - (c) A government or church plan as defined in section 414 of the internal revenue code, a government or church welfare benefit plan or a deferred compensation plan of a state or local government or tax exempt organization under section 457 of the internal revenue code.
 - (d) A nonqualified deferred compensation arrangement established or maintained by an employer or plan sponsor.
 - (e) Settlements of, or assumptions of liabilities associated with, personal injury litigation or any dispute or claim resolution process.
 - (f) Formal prepaid funeral contracts.

History

Last legislative year: 2007.

Recent legislative history: Laws 2006, Ch. 172, § [1](#); Laws 2007, Ch. 34, § [11](#).

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A.R.S. § 20-1243.03

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20-1243.03. Duties of insurers and producers; definitions

A.When a producer makes a recommendation of an annuity, the producer shall act in the best interest of the consumer under the circumstances known at the time the recommendation is made, without placing the producer's or the insurer's financial interest ahead of the consumer's interest. The producer has acted in the best interest of the consumer if the producer has satisfied the obligations regarding care, disclosure, conflict of interest and documentation prescribed in this section.

B.To satisfy the care obligation, in making a recommendation, the producer shall exercise reasonable diligence, care and skill to do all of the following:

1. Know the consumer's financial situation, insurance needs and financial objectives.
2. Understand the available recommendation options after making a reasonable inquiry into options available to the producer.
3. Have a reasonable basis to believe both of the following:
 - (a) The recommended option effectively addresses the consumer's financial situation, insurance needs and financial objectives over the life of the product, as evaluated in light of the consumer profile information.
 - (b) The consumer would benefit from certain features of the annuity, such as annuitization, death or living benefits or other insurance-related features.
4. Communicate the basis or bases of the recommendation.
5. Make reasonable efforts to obtain consumer profile information from the consumer before the recommendation of an annuity.
6. Consider the types of products the producer is authorized and licensed to recommend or sell that address the consumer's financial situation, insurance needs and financial objectives. The producer:
 - (a) Is not required to analyze or consider any product outside the producer's authority and license or other possible alternative products or strategies that are available in the market at the time of recommendation.
 - (b) Shall be held to standards that apply to producers with similar authority and licensure.
7. In the case of an exchange or replacement of an annuity, consider the whole transaction, including taking into consideration whether:
 - (a) The consumer will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits, such as death, living or other contractual benefits, or be subject to increased fees, investment advisory fees or charges for riders and similar product enhancements.

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(b)The replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product.

(c)The consumer has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding sixty months.

C.The requirements under the best interest and care obligations under subsections A and B of this section do not create a fiduciary obligation or relationship and only create a regulatory obligation as established in this article.

D.The requirements under the care obligation under subsection B of this section:

1.Apply to the particular annuity as a whole and the underlying subaccounts to which funds are allocated at the time of purchase or exchange of an annuity, and riders and similar product enhancements, if any.

2.Do not mean the annuity with the lowest onetime or multiple occurrence compensation structure shall necessarily be recommended.

3.Do not mean the producer has ongoing monitoring obligations under the care obligation under subsection B of this section, although such an obligation may be separately owed under the terms of a fiduciary, consulting, investment advising or financial planning agreement between the consumer and the producer.

4.Do not require a producer to obtain any license other than a producer license with the appropriate line of authority to sell, solicit or negotiate insurance in this state, including any securities license, in order to fulfill the duties and obligations contained in this article if the producer does not give advice or provide services that are otherwise subject to securities laws or engage in any other activity requiring other professional licenses.

E.Under the care obligation under subsection B of this section, the consumer profile information, characteristics of the insurer and product costs, rates, benefits and features are those factors generally relevant in making a determination whether an annuity effectively addresses the consumer's financial situation, insurance needs and financial objectives, but the level of importance of each factor under the care obligation under subsection B of this section may vary depending on the facts and circumstances of a particular case, and each factor may not be considered in isolation.

F.To satisfy the disclosure obligation, before the recommendation or sale of an annuity, the producer shall prominently disclose the following information to the consumer on a form substantially similar to the "insurance agent (producer) disclosure for annuities" form in appendix A of the 2020 national association of insurance commissioners suitability in annuity transactions model regulation:

1. A description of the scope and terms of the relationship with the consumer and the role of the producer in the transaction.

2. An affirmative statement on whether the producer is licensed and authorized to sell the following products:

(a)Fixed annuities.

(b)Fixed indexed annuities.

(c)Variable annuities.

(d)Life insurance.

(e)Mutual funds.

(f)Stocks and bonds.

(g)Certificates of deposit.

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3. An affirmative statement describing the insurers for which the producer is authorized, contracted or appointed or otherwise able to sell insurance products, using the following descriptions:

(a) One insurer.

(b) From two or more insurers.

(c) From two or more insurers although primarily contracted with one insurer.

4. A description of the sources and types of cash compensation and noncash compensation to be received by the producer, including whether the producer is to be compensated for the sale of a recommended annuity by commission as part of a premium or other remuneration received from the insurer, intermediary or other producer or by fee as a result of a contract for advice or consulting services.

5. A notice of the consumer's right to request additional information regarding cash compensation. On request of the consumer or the consumer's designated representative, the producer shall disclose both of the following:

(a) A reasonable estimate of the amount of cash compensation to be received by the producer, which may be stated as a range of amounts or percentages.

(b) Whether the cash compensation is a onetime or multiple occurrence amount and, if a multiple occurrence amount, the frequency and amount of the occurrence, which may be stated as a range of amounts or percentages.

G. The disclosure obligation under subsection F of this section requires that before or at the time of the recommendation or sale of an annuity, the producer shall have a reasonable basis to believe the consumer has been informed of various features of the annuity, such as the potential surrender period and surrender charge, potential tax penalty if the consumer sells, exchanges, surrenders or annuitizes the annuity, mortality and expense fees, investment advisory fees, any annual fees, potential charges for and features of riders or other options of the annuity, limits on interest returns, potential changes in nonguaranteed elements of the annuity, insurance and investment components and market risk.

H. To satisfy the conflict of interest obligation, the producer shall identify and avoid or reasonably manage and disclose material conflicts of interest, including material conflicts of interest related to an ownership interest.

I. To satisfy the documentation obligation, the producer at the time of recommendation or sale shall:

1. Make a written record of any recommendation and the basis for the recommendation subject to this article.

2. Obtain a consumer-signed statement on a form substantially similar to "the consumer refusal to provide information" form in appendix B of the 2020 national association of insurance commissioners suitability in annuity transactions model regulation documenting both:

(a) A customer's refusal to provide the consumer profile information, if any.

(b) A customer's understanding of the ramifications of not providing the consumer profile information or providing insufficient consumer profile information.

3. Obtain a consumer-signed statement on a form substantially similar to the "consumer decision to purchase an annuity not based on a recommendation" form in appendix C of the 2020 national association of insurance commissioners suitability in annuity transactions model regulation acknowledging the annuity transaction is not recommended if a customer decides to enter into an annuity transaction that is not based on the producer's recommendation.

J. Any requirement applicable to a producer under subsections A, B, C, D, E, F, G, H and I of this section applies to every producer who has exercised material control or influence in the making of a recommendation and has received direct compensation as a result of the recommendation or sale, regardless of whether the

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producer has had any direct contact with the consumer. Activities such as the following do not in and of themselves constitute material control or influence:

1. Providing or delivering marketing or educational material.
2. Product wholesaling or other back-office product support.
3. General supervision of a producer.

K. An insurer's issuance of an annuity subject to this subsection shall be reasonable under all the circumstances actually known to the insurer at the time the annuity is issued. A producer has no other obligation under subsections A, B, C, D and E of this section to a consumer related to an annuity transaction if:

1. No recommendation is made.
2. A recommendation was made that was later found to have been prepared based on materially inaccurate information provided by the consumer.
3. The consumer refuses to provide relevant consumer profile information and the annuity transaction is not recommended.
4. The consumer decides to enter into an annuity transaction that is not based on a recommendation by the producer.

L. Except as allowed under this subsection, an insurer may not issue an annuity recommended to a consumer unless there is a reasonable basis to believe the annuity would effectively address the particular consumer's financial situation, insurance needs and financial objectives based on the consumer's consumer profile information. Each insurer shall establish and maintain a supervision system that is reasonably designed to achieve the insurer's and its producers' compliance with this article and that includes the following:

1. Reasonable procedures to inform its producers of the requirements of this article, including incorporating the requirements of this article in relevant producer training manuals.
2. Standards for producer product training, including establishing and maintaining reasonable procedures to ensure compliance with [section 20-1243.07](#).
3. Product-specific training and training materials that explain all material features of its annuity products to its producers.
4. Procedures for reviewing each recommendation before issuing an annuity that are designed to ensure there is a reasonable basis to determine that the recommended annuity would effectively address the particular consumer's financial situation, insurance needs and financial objectives. The review procedures may apply a screening system for the purpose of identifying selected transactions for additional review and may be accomplished electronically or through other means, including physical review. The electronic system or other system may be designed to require additional review of only those transactions that are identified for additional review by the selection criteria.
5. Reasonable procedures to detect recommendations that do not comply with subsections A, B, C, D, E, F, G, H, I, J, K, O and P of this section, including confirmation of the consumer's consumer profile information, systematic customer surveys, producer and consumer interviews, confirmation letters, producer statements or attestations and programs of internal monitoring. This paragraph does not prevent an insurer from complying with this paragraph by applying sampling procedures or by confirming the consumer profile information or other required information under this section after issuing or delivering the annuity.
6. Reasonable procedures to assess, before or on issuance or delivery of an annuity, whether a producer has provided to the consumer the information required to be provided under this section.
7. Reasonable procedures to identify and address suspicious consumer refusals to provide consumer profile information.

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8. Reasonable procedures to identify and eliminate any sales contests, sales quotas, bonuses and noncash compensation that are based on the sales of specific annuities within a limited period of time. This paragraph does not prohibit the receipt of health insurance, office rent, office support, retirement benefits or other employee benefits by employees so long as those benefits are not based on the volume of sales of a specific annuity within a limited period of time.

9. A written annual report to senior management, including to the senior manager responsible for audit functions, that details a review with appropriate testing and that is reasonably designed to determine the effectiveness of the supervision system, the exceptions found and corrective action taken or recommended, if any.

M. An insurer may contract for performance of a function, including maintenance of procedures, required under subsection L of this section but is responsible for taking appropriate corrective action and may be subject to sanctions and penalties pursuant to [section 20-1243.05](#) regardless of whether the insurer contracts for performance of a function and regardless of the insurer's compliance with paragraphs 1 and 2 of this subsection. An insurer's supervision system under this subsection shall include supervision of contractual performance under this subsection by incorporating at least both of the following:

1. Monitoring and, as appropriate, conducting audits to ensure that the contracted function is properly performed.
2. Annually obtaining a certification from a senior manager who has responsibility for the contracted function that the manager has a reasonable basis to represent, and does represent, that the function is properly performed.

N. An insurer is not required to include in its system of supervision:

1. A producer's recommendations to consumers of products other than the annuities offered by the insurer.
2. Consideration of or comparison to options available to the producer or compensation relating to those options other than annuities or other products offered by the insurer.

O. A producer or an insurer may not dissuade, or attempt to dissuade, a consumer from:

1. Truthfully responding to an insurer's request for confirmation of the consumer profile information.
2. Filing a complaint.
3. Cooperating with the investigation of a complaint.

P. Recommendations and sales of annuities that comply with comparable standards satisfy the requirements under this article. This subsection applies to all recommendations and sales of annuities made by financial professionals in compliance with business rules, controls and procedures that satisfy a comparable standard even if such a standard would not otherwise apply to the product or recommendation at issue. This subsection does not limit the director's ability to investigate and enforce this article or limit the insurer's obligation to comply with its obligation under subsection L of this section not to issue an annuity recommended to a consumer unless there is a reasonable basis to believe the annuity would effectively address the particular consumer's financial situation, insurance needs and financial objectives based on the consumer's consumer profile information, although the insurer may base its analysis on information received from either the financial professional or the entity supervising the financial professional. An insurer complies with this subsection if the insurer does all of the following:

1. Monitors the relevant conduct of the financial professional seeking to rely on this subsection or the entity responsible for supervising the financial professional, such as the financial professional's broker-dealer or an investment adviser registered under federal or state securities laws using information collected in the normal course of an insurer's business.
2. Provides to the entity responsible for supervising the financial professional seeking to rely on this subsection, such as the financial professional's broker-dealer or investment adviser registered under

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federal or state securities laws, information and reports that are reasonably appropriate to assist the entity to maintain its supervision system.

Q.For the purposes of this section:

1. “Comparable standards” means:

(a)With respect to broker-dealers and registered representatives of broker-dealers, applicable SEC and FINRA rules relating to best interest obligations and supervision of annuity recommendations and sales, including regulation best interest and any amendments or successor regulations.

(b)With respect to investment advisers registered under federal or state securities law or investment adviser representatives, the fiduciary duties and all other requirements imposed on the investment advisers or investment adviser representatives by contract or under the investment advisers act of 1940, including the form ADV and interpretations.

(c)With respect to plan fiduciaries or other fiduciaries, the fiduciary duties, obligations and prohibitions and all other requirements attendant to such a status under the employee retirement income security act of 1974 or the internal revenue code and any amendments or successor statutes.

2. “Financial professional” means a producer that is regulated and acting as:

(a)A broker-dealer registered under federal or state securities laws or a registered representative of a broker-dealer.

(b)An investment adviser registered under federal or state securities laws or an investment adviser representative associated with the federal or state investment adviser.

(c)A plan fiduciary under section 3(21) of the employee retirement income security act of 1974 or section 4975(e)(3) of the internal revenue code or any amendments or successor statutes.

History

[2020 2nd Reg. Sess. Ch. 90, § 4](#), effective January 1, 2021.

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A.R.S. § 20-1243.04

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20-1243.04. Standards for supervision

A.An insurer shall either assure that a system to supervise recommendations that is reasonably designed to achieve compliance with this article is established and maintained by complying with subsections C, D and E, or establish and maintain such a system. Such a system includes:

- 1.Maintaining written procedures.
- 2.Conducting periodic reviews of records that are reasonably designed to assist in detecting and preventing violations of this article.

B.A managing general agent and business entity shall either adopt a system that is established by an insurer to supervise recommendations of its insurance producers and that is reasonably designed to achieve compliance with this article or establish and maintain such a system. Such a system includes:

- 1.Maintaining written procedures.
- 2.Conducting periodic reviews of records that are reasonably designed to assist in detecting and preventing violations of this article.

C.An insurer may contract with a third party, including a managing general agent or business entity, to establish and maintain a system of supervision as required by subsection A with respect to insurance producers under contract with or employed by the third party.

D.An insurer shall make reasonable inquiry to assure that the third party contracting under subsection C is performing the functions required under subsection A and shall take such action as is reasonable under the circumstances to enforce the contractual obligation to perform the functions. An insurer may comply with the obligation to make reasonable inquiry by doing both of the following:

- 1.Annually obtaining a certification from a third party senior manager who has responsibility for the delegated functions that the manager has a reasonable basis to represent, and does represent, that the third party is performing the required functions.
- 2.Based on reasonable selection criteria, periodically select third parties contracting under subsection C for a review to determine if the third parties are performing the required functions. The insurer shall perform those procedures to conduct the review that are reasonable under the circumstances.

E.An insurer that contracts with a third party pursuant to subsection C and that complies with the requirements to supervise in subsection D fulfills its responsibilities under subsection A.

F.An insurer, managing general agent or business entity is not required pursuant to subsection A or B to:

- 1.Review, or provide for review of, all insurance producer solicited transactions.
- 2.Include in its system of supervision an insurance producer's recommendations to consumers of products other than the annuities offered by the insurer, managing general agent or business entity.

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G.A managing general agent or business entity contracting with an insurer pursuant to subsection C, if requested by the insurer pursuant to subsection D, shall promptly give a certification as described in subsection D or give a clear statement that it is unable to meet the certification criteria.

H.A person shall not provide a certification under subsection D, paragraph 1 unless both of the following apply:

- 1.The person is a senior manager with responsibility for the delegated functions.
- 2.The person has a reasonable basis for making the certification.

I.Compliance with the financial industry regulatory authority conduct rules pertaining to suitability satisfies the requirements under this section for the recommendation of annuities registered under the securities act of 1933 ([15 United States Code sections 77a](#) through [77aa](#)) or rules adopted thereunder. However, this subsection does not limit the director's ability to enforce this article.

History

Last legislative year: 2010.

Recent legislative history: Laws 2006, Ch. 172, § [1](#); Laws 2008, Ch. 163, § [7](#); Laws 2010, 2nd Reg. Sess., Ch. 251, § [6](#).

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20-1243.05. Compliance; enforcement; penalties

A.An insurer is responsible for compliance with this article. If a violation occurs, either because of the action or inaction of the insurer or its producer, the director may order:

- 1.The insurer to take reasonably appropriate corrective action for any consumer who is harmed by a failure to comply with this article by the insurer, an entity contracted to perform the insurer's supervisory duties or the producer.
- 2.A general agency, independent agency or the producer to take reasonably appropriate corrective action for any consumer who is harmed by the producer's violation of this article.
- 3.Appropriate penalties and sanctions.

B.The director may reduce or eliminate any applicable penalty under [sections 20-220](#), [20-295](#) and [20-456](#) for a violation of this article if corrective action for the consumer was taken promptly after a violation was discovered or the violation was not part of a pattern or practice.

C.The authority to enforce compliance with article is vested exclusively with the director.

History

Last legislative year: 2013.

Recent legislative history: Laws 2006, Ch. 172, § [1](#); Laws 2013, 1st Reg. Sess., Ch. 35, § [18](#); [2020 2nd Reg. Sess. Ch. 90, § 5](#), effective January 1, 2021.

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[A.R.S. § 20-1243.06](#)

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20-1243.06. Recordkeeping

A. Insurers, general agents, independent agencies, business entities and producers shall maintain, or be able to make available to the director, records of the information collected from the consumer, disclosures made to the consumer, including summaries of oral disclosures, and other information used in making the recommendations that were the basis for insurance transactions for at least five years after the insurance transaction is completed by the insurer. An insurer may but is not required to maintain documentation on behalf of a producer.

B. Records required to be maintained by this article may be maintained in paper, photographic, microprocess, magnetic, mechanical or electronic media or by any process that accurately reproduces the actual document.

History

Last legislative year: 2006.

Recent legislative history: Laws 2006, Ch. 172, § [1](#); [2020 2nd Reg. Sess. Ch. 90, § 6](#), effective January 1, 2021.

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20-1243.07. Producer training; annuities; continuing education

A. A producer may not solicit the sale of an annuity product unless the producer has adequate knowledge of the product to recommend the annuity and the producer is in compliance with the insurer's standards for product training. A producer may rely on insurer-provided product-specific training standards and materials to comply with this subsection.

B. Before selling, soliciting or negotiating an annuity, a producer with a life insurance line of authority shall complete a onetime four credit-hour training course approved pursuant to [section 20-2904](#) that is provided by an education provider approved pursuant to [section 20-2904](#).

C. The minimum length of the training required under subsection B of this section shall be sufficient to qualify for at least four continuing education credit hours, but may be longer. The training required under subsection B of this section shall include information on the following topics:

1. Types of annuities and various classifications of annuities.
2. Identification of the parties to an annuity.
3. How product-specific annuity contract features affect consumers.
4. The application of income taxation of qualified and nonqualified annuities.
5. The primary uses of annuities.
6. Appropriate standard of conduct, sales practices, replacement requirements and disclosure requirements.

D. A provider of an annuity training course intended to comply with this section shall cover all topics listed in subsection C of this section and may not present any marketing information, provide training on sales techniques or provide specific information about a particular insurer's products. Additional topics may be offered in conjunction with and in addition to the topics listed in subsection C of this section. A provider of an annuity training course intended to comply with this section shall register as a continuing education provider in this state and shall comply with the rules and guidelines applicable to producer continuing education courses required by chapter 18 of this title. A provider of an annuity training course shall comply with the reporting requirements and shall issue a certificate of completion in accordance with chapter 18 of this title.

E. Annuity training courses may be conducted and completed by classroom or self-study methods in accordance with chapter 18 of this title and any rules of the department. Satisfactory completion of the training requirements of another state that are substantially similar to the provisions of this section satisfy the training requirements of this section. Satisfactory completion of the components of the training requirements of any course or courses with components that are substantially similar to the requirements prescribed in this section satisfy the training requirements of this section.

F. An insurer shall verify that a producer has completed the annuity training course required under this section before allowing the producer to sell an annuity product for that insurer. An insurer may satisfy its responsibility

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under this subsection by obtaining certificates of completion of the annuity training course or obtaining reports provided by department-sponsored database systems or vendors or from a reasonably reliable commercial database vendor that has a reporting arrangement with approved insurance education providers.

History

[2017 1st Reg. Sess. Ch. 226, § 2](#), effective January 1, 2018; [2020 2nd Reg. Sess. Ch. 90, § 7](#), effective January 1, 2021.

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