

Commissioner's Bulletin # B-0021-21

July 29, 2021

To: Agents, continuing education providers, and insurers

Re: House Bill 1777 annuity transaction changes

The 87th Legislature passed House Bill 1777, which made changes to certain annuity transaction disclosures and standards. The changes include agent "best-interest" training requirements, new disclosure form requirements, and a lower minimum nonforfeiture interest rate.

Best-interest training requirements

Amended Insurance Code Section 1115.056 requires a new four-credit annuity training course for annuities sold on or after January 1, 2022. Information about training course availability can be found on the [agent and adjuster licensing](#) page.

An agent who has completed an old annuity training course before January 1, 2022, may take an additional one-time one-credit training course instead.

Continuing education providers may submit courses for approval after August 27, 2021, through [Sircon](#).

TDI disclosure forms and rule

New Insurance Code Sections 1115.0514 and 1115.0516 require agents to use new forms starting September 1, 2021, that are substantially similar to the following NAIC forms:

- Insurance Agent Disclosure for Annuities
- Consumer Refusal to Provide Information
- Consumer Decision to Purchase an Annuity Not Based on a Recommendation

TDI will soon propose a rule to implement HB 1777. Until the rule is adopted, TDI encourages insurers and agents to use the referenced NAIC forms or other forms that are substantially similar to the NAIC forms.

Interest rate form filings

The minimum nonforfeiture interest rate will apply to annuities issued on or after January 1, 2022. Under amended Insurance Code Section 1107.055(3), the interest rate was reduced from 1% to 0.15%.

If an insurer changes the interest rate, then it must submit a limited refiling through SERFF. Additional filing instructions are available in SERFF. Filings must be submitted at least 60 days before the form will be used.

Please contact license@tdi.texas.gov or 512-676-6500 with questions about this bulletin.