

State of Utah
Administrative Rule Analysis
Revised May 2023

NOTICE OF PROPOSED RULE

TYPE OF FILING: Amendment

Title No. - Rule No. - Section No.

Rule or Section Number:

R590-230-5

Filing ID: Office Use Only

Agency Information

1. Department:	Insurance	
Agency:	Administration	
Room number:	Suite 2300	
Building:	Taylorsville State Office Building	
Street address:	4315 S. 2700 W.	
City, state and zip:	Taylorsville, UT 84129	
Mailing address:	PO Box 146901	
City, state and zip:	Salt Lake City, UT 84114-6901	
Contact persons:		
Name:	Phone:	Email:
Steve Gooch	801-957-9322	sgooch@utah.gov

Please address questions regarding information on this notice to the persons listed above.

General Information

2. Rule or section catchline:
R590-230-5. Producer Training
3. Purpose of the new rule or reason for the change:
The rule is being changed to update a date by which a producer must meet an annuity suitability training requirement.
4. Summary of the new rule or change:
The changes allow for a producer who completed an annuity suitability training course before July 1, 2024, to be considered as having met the training requirements in certain circumstances.

Fiscal Information

5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:
A) State budget:
There is no anticipated cost or saving to the state budget. The change merely gives agents a larger window to complete required training. It does not involve any additional work or cost on the part of the state.
B) Local governments:
There is no anticipated cost or savings to local governments. This rule governs the relationship between the department and its licensees, and does not involve local governments in any way.
C) Small businesses ("small business" means a business employing 1-49 persons):
There is no anticipated cost or saving to small businesses. The actual requirement to complete the training is in the existing version of the rule, and requires agents to take the training within the year after July 1, 2024. This change simply allows agents to take the training "early" from January 1, 2024 to July 1, 2024. Or in other words, agents now have a larger window to complete the required training. It does not involve any additional work or cost on the part of any small business.
D) Non-small businesses ("non-small business" means a business employing 50 or more persons):
There is no anticipated cost or saving to non-small businesses. The actual requirement to complete the training is in the existing version of the rule, and requires agents to take the training within the year after July 1, 2024. This change simply allows agents to take the training "early" from January 1, 2024 to July 1, 2024. Or in other words, agents now have a larger window to complete the required training. It does not involve any additional work or cost on the part of any non-small business.

E) Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an **agency**):

There is no anticipated cost or saving to any other persons. The actual requirement to complete the training is in the existing version of the rule, and requires agents to take the training within the year after July 1, 2024. This change simply allows agents to take the training "early" from January 1, 2024 to July 1, 2024. Or in other words, agents now have a larger window to complete the required training. It does not involve any additional work or cost on the part of any person.

F) Compliance costs for affected persons (How much will it cost an impacted entity to adhere to this rule or its changes?):

There are no compliance costs for any affected persons. The change merely gives agents a larger window to complete required training.

G) Regulatory Impact Summary Table (This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts will be included in narratives above.)

Regulatory Impact Table			
Fiscal Cost	FY2024	FY2025	FY2026
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Cost	\$0	\$0	\$0
Fiscal Benefits	FY2024	FY2025	FY2026
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Benefits	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0

H) Department head comments on fiscal impact and approval of regulatory impact analysis:

The Commissioner of Insurance, Jonathan T. Pike, has reviewed and approved this regulatory impact analysis.

Citation Information

6. Provide citations to the statutory authority for the rule. If there is also a federal requirement for the rule, provide a citation to that requirement:

Section 31A-2-201	Section 31A-22-425	

Incorporations by Reference Information

7. Incorporations by Reference (if this rule incorporates more than two items by reference, please include additional tables):

A) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

Official Title of Materials Incorporated (from title page)	
Publisher	
Issue Date	
Issue or Version	

B) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

Official Title of Materials Incorporated (from title page)	
Publisher	
Issue Date	
Issue or Version	

Public Notice Information

8. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. See Section 63G-3-302 and Rule R15-1 for more information.)		
A) Comments will be accepted until:	05/31/2024	
B) A public hearing (optional) will be held:		
Date (mm/dd/yyyy):	Time (hh:mm AM/PM):	Place (physical address or URL):
To the agency: If more space is needed for a physical address or URL, refer readers to Box 4 in General Information. If more than two hearings will take place, continue to add rows.		

9. This rule change MAY become effective on:	06/07/2024
NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date.	

Agency Authorization Information

To the agency: Information requested on this form is required by Sections 63G-3-301, 63G-3-302, 63G-3-303, and 63G-3-402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the <i>Utah State Bulletin</i> and delaying the first possible effective date.			
Agency head or designee and title:	Steve Gooch, Public Information Officer	Date:	04/09/2024

R590. Insurance, Administration.

R590-230. Suitability in Annuity Transactions.

R590-230-5. Producer Training.

(1) 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.

(2)(a)(i) A producer who engages in the sale of annuity products on or after July 1, 2024, shall complete a one-time approved four credit training course.

(ii) A producer who holds a life insurance line of authority before July 1, 2024, and who desires to sell an annuity shall complete the requirements of this subsection ~~[within 12 months after July 1, 2024]~~ by July 1, 2025.

(iii) A producer that obtains a life insurance line of authority on or after July 1, 2024, may not engage in the sale of an annuity until the required annuity training is completed.

(iv) A producer who completed an approved training course under Subsections (2)(b), (2)(c), and (2)(d) between January 1, 2024 and July 1, 2024, is considered to have met the training requirements under this Subsection (2)(a).

(b) The minimum length of the training under this Subsection (2) shall be sufficient to qualify for at least four continuing education credits but may be longer.

(c) The training shall include information on the following topics:

(i) the types of annuities and various classifications of annuities;

(ii) identification of the parties to an annuity;

(iii) how product specific annuity contract features affect consumers;

(iv) the application of income taxation of qualified and non-qualified annuities;

(v) the primary uses of annuities; and

(vi) appropriate standards of conduct, sales practices, replacement, and disclosure requirements.

(d)(i) A provider of a course complying with this section shall cover all topics listed in the prescribed outline and ~~[shall]~~ may not present any marketing information or provide training on sales techniques or provide specific information about a particular insurer's products.

(ii) Additional topics may be offered in conjunction with and in addition to the required outline.

(e) A provider of an annuity course complying with this section shall register as a continuing education provider and comply with Section 31A-23a-202 and Rule R590-142.

(f) A producer who, ~~before July 1, 2024,~~ completed an annuity training course ~~[under the provisions of this rule before July 1, 2024, shall, by no later than]~~ that does not meet the standards under Subsections (2)(b), (2)(c), and (2)(d) shall, by July 1, 2025, complete either:

(i) a new four credit approved annuity training course on appropriate sales practices, replacement, and disclosure requirements under the amended provisions of this rule; or

(ii) an additional one-time single credit approved annuity training course on appropriate sales practices, replacement, and disclosure requirements under the amended provisions of this rule.

(g) An annuity training course may be conducted and completed by classroom or self-study methods.

(h) Satisfying the training requirements of another state that are substantially similar to the requirements of this subsection shall satisfy the training requirements.

(i) Satisfying the components of the training requirements of any course or courses with components substantially similar to the requirements of this subsection shall satisfy the training requirements.

(j)(i) An insurer shall verify that a producer has completed the required annuity training course before allowing the producer to sell an annuity product for that insurer.

(ii) An insurer may satisfy its responsibility under this Subsection (2)(j) by obtaining certificates of completion of the training course or obtaining reports provided by database systems or vendors, or from a reasonably reliable commercial database vendor that has a reporting arrangement with approved insurance education providers.

KEY: insurance, annuity suitability

Date of Last Change: December 8, 2023

Notice of Continuation: May 23, 2019

Authorizing, and Implemented or Interpreted Law: 31A-2-201; 31A-22-425