

ALABAMA DEPARTMENT OF INSURANCE  
INSURANCE REGULATION  
ADMINISTRATIVE CODE

CHAPTER 482-1-137  
SUITABILITY PROTECTION IN ANNUITY TRANSACTIONS

482-1-137-.06.1      Producer Training [Effective 1/1/2022].

(1) A producer shall 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 paragraph.

(2)(a)1. A producer who engages in the sale of annuity products shall complete a one-time four (4) credit training course approved by the department of insurance and provided by the department of insurance-approved education provider.

2. Producers who hold a life insurance line of authority on the effective date of this regulation and who desire to sell annuities shall complete the requirements of this subsection within six (6) months after the effective date of this regulation. Individuals who obtain a life insurance line of authority on or after the effective date of this regulation may not engage in the sale of annuities until the annuity training course required under this subsection has been completed.

(b) The minimum length of the training required under this paragraph shall be sufficient to qualify for at least four (4) CE credits, but may be longer.

(c) The training required under this paragraph shall include information on the following topics:

1. The 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 non-qualified annuities.
5. The primary uses of annuities.

6. Appropriate standard of conduct, sales practices, replacement and disclosure requirements.

(d) Providers of courses intended to comply with this subsection shall cover all topics listed in the prescribed outline and shall not present any marketing information or 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 required outline.

(e) A provider of an annuity training course intended to comply with this paragraph shall register as a CE provider in this State and comply with the rules and guidelines applicable to producer continuing education courses as set forth in Alabama Insurance Regulation II0, Chapter 482-1-110.

(f) A producer who has completed an annuity training course approved by the department of insurance prior to January 1, 2022, shall, within six (6) months after January 1, 2022, complete either of the following:

1. A new four (4) credit training course approved by the Department of Insurance after January 1, 2022.

2. An additional one-time one (1) credit training course approved by the Department of Insurance and provided by the approved education provider on appropriate sales practices, replacement and disclosure requirements under this amended chapter.

(g) Annuity training courses may be conducted and completed by classroom or self-study methods in accordance with Alabama Insurance Regulation 110, Chapter 482-1-110.

(h) Providers of annuity training shall comply with the reporting requirements and shall issue certificates of completion in accordance with Alabama Insurance Regulation 110, Chapter 482-1-110.

(i) The satisfaction of the training requirements of another State that are substantially similar to the provisions of this paragraph shall be deemed to satisfy the training requirements of this paragraph in this State.

(j) The satisfaction of the components of the training requirements of any course or courses with components substantially similar to the provisions of this paragraph shall be deemed to satisfy the training requirements of this paragraph in this state.

(k) An insurer shall verify that an insurance producer has completed the annuity training course required under this

paragraph before allowing the producer to sell an annuity product for that insurer. An insurer may satisfy its responsibility under this paragraph by obtaining certificates of completion of the training course or obtaining reports provided by commissioner-sponsored database systems or vendors or from a reasonably reliable commercial database vendor that has a reporting arrangement with approved insurance education providers.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17; 27-12-1, et seq.

**History: New Rule:** July 21, 2016; effective January 1, 2017.

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