

AGENT ADVISORY

Number: 2007-65

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Effective Date: Immediately

TO: Symetra Life-Appointed Agencies in Nebraska

RE: Nebraska Protection in Annuity Transaction Act – Legislative Bill 117

Nebraska approved a bill, effective September 1, 2007, to remove the age limitation for suitability on annuity sales. Nebraska annuity suitability standards and procedures now apply to all ages, not just applicants 65 and older.

For your convenience, we have provided definitions and a summary of the act below:

Definitions:

- Annuity – a fixed or variable annuity that is individually solicited, whether the product is classified as an individual or group annuity.
- Recommendation – Advice provided by an insurance producer or insurer if no insurance producer is involved, to an individual consumer that directly results in a purchase or exchange of an annuity in accordance with that advice.

Duties of the Insurance Agent and Agency:

- An insurance agent shall have reasonable grounds for believing that any recommendation to a consumer is suitable on the basis of the facts disclosed by the consumer as to their investments, other insurance products and their financial needs.
- Before executing a purchase of an annuity to a consumer, an insurance agent must make reasonable efforts to obtain information concerning the consumer's financial status, tax status and investment objections.
- A system to comply with this statute must be established that includes:
 - Maintaining written procedures
 - Conducting periodic reviews of records designed to detect and prevent violations of this law
- An agent or agency must take appropriate corrective action for any consumer harmed by a violation of this law.

Exemptions:

- Direct-response solicitations
- Contracts used to fund:
 - Employee pension or welfare benefit plan covered by ERISA
 - Plans described by Sections 401(a), 401(k), 403(b), 408(k) or 408(p) of the IRS code of 1986, if established or maintained by an employer
 - Government or church plans defined in Section 414 of the IRS Code of 1986; or a deferred compensation plan of a state or local government or tax-exempt organization under Section 457 of the IRS Code of 1986
 - A nonqualified deferred compensation arrangement established or maintained by an employer
 - Structured Settlements
 - Prepaid funeral contracts
 - Variable annuities – NASD Conduct Rules pertaining to suitability will satisfy the requirements under this law

Duties of an Insurer:

- The insurer must maintain written procedures
- The insurer must conduct periodic reviews of records designed to assist in detecting and preventing violations of this law.

As part of our procedure to comply with this law, we will require disclosures, LP-1514 for immediate annuities or RSNB-0007 for deferred annuities, be completed and signed with each application for an annuity subject to this statute. Copies of these forms may be found under “Forms” on the [Advisories and Regulatory Training](#) page.

If you have questions, please contact the Sales Center at (800) 706-0700 or invest@symetra.com.

Sincerely,

Michael Murphy
Assistant Vice President
Compliance Department
Symetra Life Insurance Company