

AGENT ADVISORY

Advisory #: 2009-109

Publication Date: October 1, 2009

Effective Date: November 1, 2009

TO: All Symetra Life Appointed Producers and Advisors in Wisconsin

RE: Wisconsin's Life Insurance and Annuities Replacement Rule 2.07

Wisconsin has adopted a rule similar to the NAIC Life Insurance and Annuities Replacement Model Regulation, effective November 1, 2009. The purpose of the rule is:

- To regulate the activities of insurers and producers with respect to the replacement of existing life insurance and annuities;
- To protect the interests of life insurance and annuity purchasers by establishing minimum standards of conduct to be observed in replacement or financed purchase transactions to assure that purchaser's receive information with which a decision can be made in the purchaser's best interest.

An insurance company must maintain a system of supervision and control to ensure compliance with the requirements of the rule that include at least the following:

- Informing its producers of the requirements of this rule and incorporating the requirements of this rule into all relevant producer training manuals prepared by the insurer.
- Providing to each producer a written statement of the company's position with respect to the acceptability of replacements (Symetra's position is provided below).
- Providing guidance to its producers as to the appropriateness of these transactions
- A system to review the appropriateness of each replacement transaction in accordance with the company's position.
- Procedures to confirm that the requirements of this rule have been met.
- Procedures to detect transactions that are replacements of existing policies or contracts by the existing insurer, but that have not been reported as such by the applicant or producer. Compliance with this rule may include, but shall not be limited to, systematic customer surveys, interviews, confirmation letters, or programs of internal monitoring.

Symetra's Position

Symetra makes every attempt to govern replacement activities with the policy/contract owner's interest foremost in mind. We do not encourage or condone wholesale, indiscriminate replacement of existing life insurance policies and/or annuity contracts. This includes not only replacement of other companies' policies and contracts but the replacement of our own as well. At the same time, we acknowledge that sometimes a replacement can be in the best interest of the client.

Duties of Producers

We are enclosing the following materials:

- A summary of how the rule affects you, entitled “Complying with Wisconsin’s Replacement Rule for Life Insurance and Annuities”; and
- The replacement form, “Important Notice: Replacement of Life Insurance or Annuities”, form number LU-745. For additional copies of the replacement form you may print from our [Advisories and Regulatory Training](#) page of our website (www.symetra.com), or reorder through your usual supply channels.
- Wisconsin’s Insurance Rule 2.07

Please pay careful attention to the summary, “Complying with Wisconsin’s Replacement Rule for Life Insurance and Annuities”, as it provides important information about the rule that you need to know, including the “exemptions”.

If you have any questions, please contact your Symetra Sales Center Representative at 1-800-706-0700.

Sincerely,

Michael Murphy
Assistant Vice President
Compliance Department
Symetra Life Insurance Company