

1 **SECTION 4. AMENDMENT.** Section 26.1-34.2-03.1 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3 **26.1-34.2-03.1. ~~Insurance producer~~ Producer training.**

4 1. ~~An insurance~~ A producer may not solicit the sale of an annuity product unless the  
5 ~~insurance~~ producer has adequate knowledge of the product to recommend the annuity  
6 and the ~~insurance~~ producer is in compliance with the insurer's standards for product  
7 training. ~~An insurance~~ A producer may rely on insurer-provided product-specific training  
8 standards and materials to comply with this subsection.

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

10 b) 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.

11 (2) ~~An insurance producer who holds a life insurance line of authority on~~  
19 ~~August 1, 2011, and who desires to sell annuities shall complete the~~  
20 ~~requirements of this subsection within twelve months after August 1, 2011.~~  
21 ~~An individual who obtains a life insurance line of authority on or after~~  
22 ~~August 1, 2011, may not engage in the sale of annuities until the annuity~~  
23 ~~training course required under this subsection has been completed.~~

2324 ~~(new paragraph)~~ The minimum length of the training required under this  
subsection shall be sufficient to qualify for at least four (4) CE credits but may  
be longer.

2425 b. The training required under this subsection must include information on the  
2526 following topics:

- 26 (1) The types of annuities and various classifications of annuities;  
27 (2) Identification of the parties to an annuity;  
28 (3) ~~How fixed, variable, and indexed~~ product specific annuity contract  
provisions affect  
29 consumers;  
30 (4) The application of income taxation of qualified and nonqualified annuities;  
31 (5) The primary uses of annuities; and

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1 (6) Appropriate standards of conduct, sales practices, replacement, and  
2 disclosure requirements.  
3 c. Providers of courses intended to comply with this subsection shall cover all topics  
4 listed in the prescribed outline and may not present any marketing information or  
5 provide training on sales techniques or provide specific information about a  
6 particular insurer's products. Additional topics may be offered in conjunction with  
7 \_\_\_\_\_ and in addition to the required outline.

78 \_\_\_\_\_ (new paragraph) A provider of an annuity training course intended to comply with  
this subsection 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 [insert reference to state law or regulations governing producer continuing  
education course approval].

89 \_\_\_\_\_ d. A producer who has completed an annuity training course approved by the  
910 \_\_\_\_\_ insurance department before the effective date of this Act, within six months after  
1011 \_\_\_\_\_ such date, shall complete either:

1412 \_\_\_\_\_ (1) A new four-credit training course approved by the insurance department  
1423 \_\_\_\_\_ after the effective date of this Act; or

1314 \_\_\_\_\_ (2) An additional one-time, one-credit training course approved by the  
1415 \_\_\_\_\_ insurance department and provided by a insurance department-approved  
14516 \_\_\_\_\_ education provider on appropriate sales practices, replacement, and  
14617 \_\_\_\_\_ disclosure requirements under this chapter.

18 \_\_\_\_\_ e. Providers of annuity training shall comply with the reporting requirements  
19 \_\_\_\_\_ (new paragraph) Annuity training courses may be conducted and completed by  
classroom or self-study methods in accordance with [insert reference to state law  
or regulations governing producer continuing education course approval].

1720 \_\_\_\_\_ Providers of annuity training shall issue certificates of completion.

1821 \_\_\_\_\_ e-f. The satisfaction of the training requirements of another state which are  
1922 \_\_\_\_\_ substantially similar to the provisions of this subsection are deemed to satisfy the  
2023 \_\_\_\_\_ training requirements of this subsection in this state.

2124 \_\_\_\_\_ f-g. The satisfaction of the components of the training requirements of a course with  
2225 \_\_\_\_\_ components substantially similar to the provisions of this subsection is deemed to  
2326 \_\_\_\_\_ satisfy the training requirements of this subsection in this state.

2427 \_\_\_\_\_ h. An insurer shall verify that ~~an insurance~~ the producer has completed the annuity  
2528 \_\_\_\_\_ training course required under this subsection before allowing the producer to sell  
2629 \_\_\_\_\_ an annuity product for that insurer. An insurer may satisfy the insurer's

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2730 \_\_\_\_\_ responsibility under this subsection by obtaining certificates of completion of the  
2831 \_\_\_\_\_ training course or obtaining reports from a reasonably reliable commercial  
2932 \_\_\_\_\_ database vendor that has a reporting arrangement with insurance education  
3033 \_\_\_\_\_ providers.

