



**Insured Retirement Institute**

1100 Vermont Avenue, NW | 10<sup>th</sup> Floor  
Washington, DC 20005

t | 202.469.3000

f | 202.469.3030

[www.IRionline.org](http://www.IRionline.org)

[www.myIRionline.org](http://www.myIRionline.org)

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North Dakota House Industry, Business and Labor Committee  
Representative Mike Lefor, Chair  
Representative George Keiser, Co Chair  
Via Email: [mlefor@nd.gov](mailto:mlefor@nd.gov); [gkeiser@nd.gov](mailto:gkeiser@nd.gov)

**Re: House Bill 1160 – An Act Relating to Annuity Transactions**

To North Dakota House Industry, Business and Labor Committee,

On behalf of our members, the Insured Retirement Institute (IRI)<sup>1</sup> writes in support of the North Dakota House Bill 1160, Relating to Annuity Transactions. This regulation provides the standards which must be followed by an insurance producer or insurer when recommending or selling an annuity, and the proposed amendments generally align with the enhanced Suitability in Annuity Transactions Model Regulation approved by the National Association of Insurance Commissioners (NAIC) in early 2020.

The NAIC model is consistent with the heightened standards of conduct imposed by the U.S. Securities and Exchange Commission's Regulation Best Interest (Reg BI), which went into effect as of June 30, 2020. Similar to Reg BI, the regulation will require insurance producers to act in the best interest of the consumer under the circumstances known at the time a recommendation is made, without placing the producer's or the insurer's financial interest ahead of the consumer's interest. In addition to the enhancements made to the applicable standard of conduct and supervisory requirements, the revised model also reflects important adjustments to the training provisions and the FINRA safe harbor included in the prior version of the model.

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<sup>1</sup> The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, and distributors such as broker-dealers, banks and marketing organizations. IRI members account for more than 95 percent of annuity assets in the U.S., include the top 10 distributors of annuities ranked by assets under management, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community.

Strong, consistent regulation is important to protect consumers and to preserve consumers' choice of financial advice and products that meet their financial and retirement planning needs. This regulation is an important enhancement to the standard that applies when producers recommend annuities to their clients.

In reading ND HB 1160 it appears there is language from NAIC Model #275, missing from the bill. **Please consider the attached revised of North Dakota Century Code, 26.1-34.2-03.1. Insurance Producer Training section** which includes 2020 NAIC Model language necessary for consistent and effective implementation.

Additionally, **IRI respectfully request inclusion of an effective date** to reflect implementation **six months from approval**. The six months effective date allows time for industry and the state to prepare for implementation of the rule.

We encourage a Do Pass of House Bill 1160, with the attached revised language. Thank you for considering these important revisions. We look forward to working with North Dakota on implementation of this legislation.

Sincerely,



Liz Pujolas  
State Affairs Director  
[lpujolas@irionline.org](mailto:lpujolas@irionline.org)