

COMPLIANCE UPDATE

Florida Senior Suitability Requirements

States Affected: Florida

Summary:

- Florida passed legislation that mandates new suitability requirements for Florida applicants aged 65 or older
- Two new forms have been developed by the state; one is required for **all** applications, and the other form is required when an annuity product is being replaced with a new annuity
- For applications dated on or after December 25, 2009
- **Applies to any party to the annuity contract who is age 65 or older – including Owner , Annuitant, and, if applicable, Joint Owner, Joint Annuitant and Payee**

The Florida Office of Insurance Regulation has finalized rules necessary to implement legislation adopted in 2008 related to sales of annuities to senior consumers. As a part of the legislative requirements, the Florida Department of Financial Services adopted a form for use in ensuring that, prior to making an annuity sales recommendation to a Florida senior, producers obtain specified personal and financial information relevant to the suitability of the sale.

Effective December 25, 2009, producers who sell annuity products in the State of Florida to persons aged 65 years or older will be required to complete and sign DFS-H1-1980, and in addition, for replacement annuities, DFS-H1-1981. Such forms must be submitted with the annuity application. **The applicable form(s) must be completed if any party to the annuity contract (Owner, Annuitant, Joint Owner, Joint Annuitant, Payee) is age 65 or older.**

For Florida seniors, these forms are to be used instead of the Client Profile form (AGLC101269). For Florida applicants aged 64 or younger, either our Client Profile or DFS-H1-1980 may be used. **Please note that Florida applications will not be accepted if the appropriate suitability forms are not included.**

For Form DFS-H1-1980 (Annuity Suitability Questionnaire):

- Page 4 of the form includes an Explanation of Terms that may be used to help guide completion of the application; **note that this page also requires the Applicant's signatures.**
- Each space must be completed.
- If the information requested is not applicable to the sale, enter "NA" in the appropriate space.
- If an Applicant chooses not to provide some information, enter "Not provided" in the appropriate space.
- If an Applicant chooses to provide limited information or none at all, check the appropriate box on page 3.
- In all cases, the producer must complete the section at the top of page 3.
- In all cases, the form must be signed by the agent and **each page must be signed by the Applicant**, including the joint Applicant, as applicable.
- **All four pages of the form, signed by the Applicant, must be submitted with the application.**
- **A completed and signed copy of the Questionnaire is to be left with the Applicant.**

Continued on the next page

For Form DFS-H1-1981 (Disclosure and Comparison of Annuity Products):

- The form **only** applies **if** the Applicant is using funds from an existing annuity to fully or partially fund the purchase of a new annuity.
- Pages 3 and 4 of the form include an Explanation of Terms that may be used to help guide completion of the application; **note that these pages also require the Applicant's signatures.**
- Each space must be completed.
- If the information requested is not applicable to the sale, enter "NA" in the appropriate space.
- In all cases, the form must be signed by the agent and **each page must be signed by the Applicant**, including the joint Applicant, as applicable.
- **All four pages of the form, signed by the Applicant, must be submitted with the application.**
- **A completed and signed copy of the Disclosure is to be left with the Applicant.**

Applications from Florida seniors dated **on or after December 25, 2009**, which do not comply with these procedures will not be accepted.

Please contact the marketing area if you have questions.