



2025 LIFE INSURANCE AND ANNUITY CONFERENCE

Reimagine Tomorrow

**Regulatory Evolution: Adapting to
New Standards in Life Insurance
and Annuities**





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Discussion Roadmap

- Producer/Agent Oversight
- 3rd Party Suitability Oversight
- Future Regulatory Observations
- Artificial Intelligence Regulations
- Open Discussion

Producer/Agent Oversight

- **FINRA/SEC Disciplinary Actions**
 - Recent article in October of 2024 cited roughly 349 insurance agents having been barred by the securities industry continued to hold active insurance licenses
 - FINRA entered into a memorandum of understanding with the NAIC in 2019
 - FINRA monthly disciplinary reports
- **Best Practices**
 - Review of appointment applications and onboarding of new agents for disciplinary actions
 - Ongoing monitoring of agent disciplinary actions by other regulators
 - Establishing Producer Oversight Committee

Potential Discussion Topic (Regulatory Observations)

- **Broader application of Safe Harbor**
Life and Annuity A Committee guidance on the insurance company obligations under the safe harbor provisions in Section 6E of the Model Regulation (275)
- **Improved state-based regulatory system (Focus of the NAIC)**
Risk based approach for annuity recommendation documentation
Enhanced supervision and reporting
Testing and training
Cybersecurity threat protection

Guidance and Consideration Section 6E (Safe Harbor)

- Requirements of the Safe Harbor
- Reasonable Basis
- Monitor the Relevant Conduct
- Provide Information and Reports
- Contracting for Performance (Safe Harbor)

Potential Discussion Topic (AI Regulation)

Evolving AI regulation is driving the requirements for the insurance company.

1. Principles on AI (Federal)

Current Administration plans to dismount from prior guidance with a directive to support innovation with less regulation

2. Model Bulletin on the use of AI systems by Insurers (24)

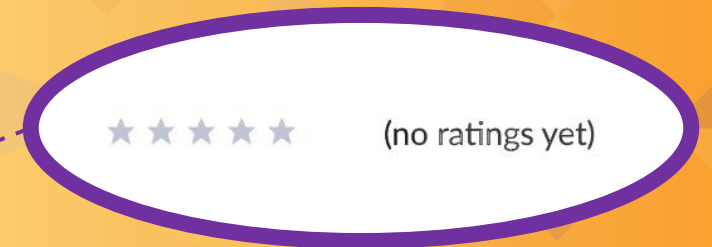
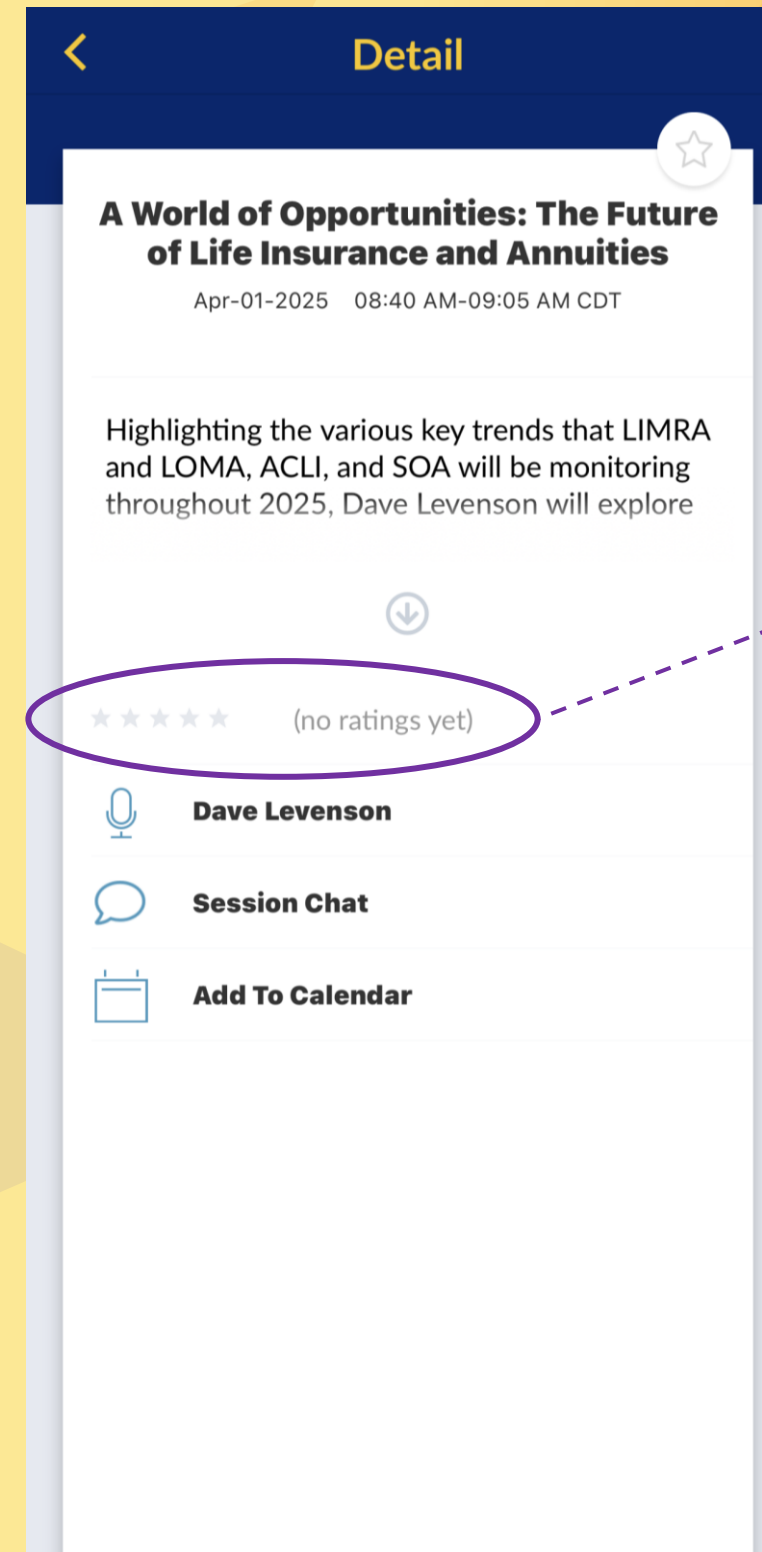
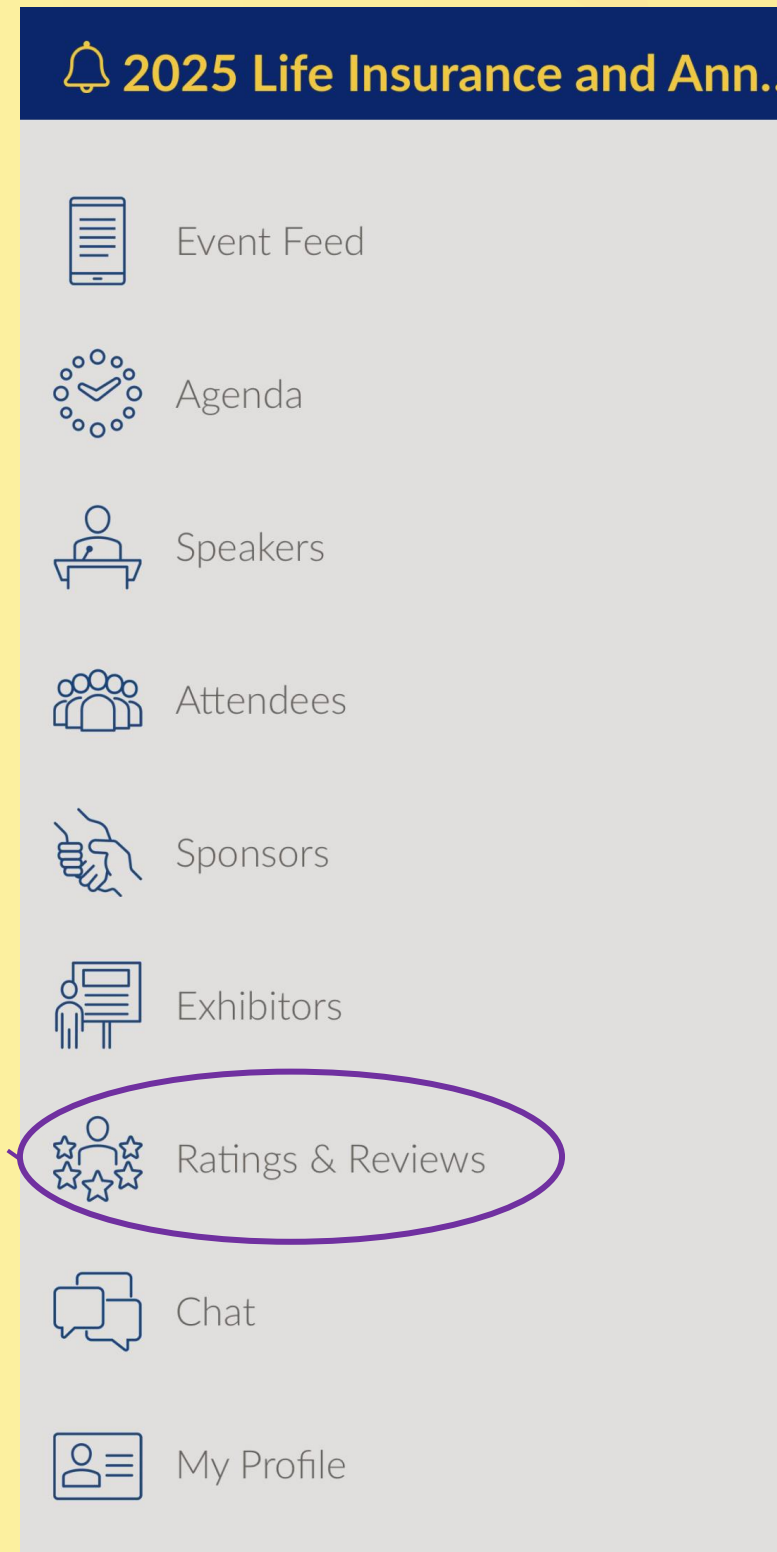
State exemption language for insurance companies that are not using AI or ECDIS

AI question in recent Market Conduct Exams

Themes and guiding principles

- Governance
- Controls, Testing and Remediation
- Oversight and Monitoring
- Transparency about findings

Please Provide Your Feedback on the Conference App



Thank You

