



August 23, 2022

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Submitted via email to: [RulesCoordinator@oic.wa.gov](mailto:RulesCoordinator@oic.wa.gov)

Michael Walker  
Senior Policy Analyst  
Policy and Legislative Affairs Division  
Washington State Office of the Insurance Commissioner ("OIC")

RE: ***R2023-5 Best Interest Standard for Annuities  
Prepublication Draft of WAC 284-17-265 and 284-23-390***

Dear Mr. Walker:

FACC, the Federation of Americans for Consumer Choice, appreciates the opportunity to comment on the proposed updates to WAC 284-17-265 and WAC 284-23-390 relating to best interest obligations for annuity sales in Washington.

FACC wishes to commend OIC for proposing these regulations to complete adoption of updates to the NAIC Model Regulation on Suitability in Annuity Transactions (#275). FACC was pleased the Washington state legislature adopted HB 1120 bringing state statutes into alignment with the updated NAIC Model Regulation and we appreciate your office is now moving forward to complete the effort with adoption of these proposed rules.

FACC believes it is particularly helpful that provisions from NAIC Model Regulation Section 6.C. subsections 2 to 4 relating to insurer supervision have been incorporated into the corresponding rule WAC 284-23-390. Those sections were carefully crafted to complement other parts of these newly updated requirements and help ensure the overall construct of the newly updated rules are workable.

FACC and its members, consisting of independent distributors selling mostly fixed annuity products, believe the NAIC Model Regulation provides strong consumer protection while at the same time preserving consumer choice through well-balanced regulatory requirements consistent with different delivery systems in the marketplace. We have long held that it is important for states to uniformly adopt the model requirements without deviations so that companies and agencies operating across state boundaries can efficiently comply with the regulation and utilize uniform practices that most effectively serve consumer interests.

FACC would like to make one suggestion which is to promulgate another rule that would specify content of the required disclosures referenced in the updated statutes consistent with the NAIC Model Regulation where those disclosure are set forth in Appendices A, B, and C. HB 1120 provides that OIC shall post the Appendices on its website which FACC presumes will be the same forms as provided in the NAIC Model Regulation. FACC requests that your office consider adopting the NAIC appendices through

*The Federation of Americans for Consumer Choice, Inc. (FACC) is a 501(c)6 non-profit organization incorporated in the state of Texas whose members are independent marketing organizations and agencies engaged in the distribution of fixed insurance and annuity products. FACC promotes public policy recognizing the value of guaranteed insurance solutions and preserving freedom of choice for consumers who seek products and services from independent agents representing multiple carriers and product options.*



a regulation that could lay out the sample forms or incorporate the NAIC model forms by reference. Such promulgation, or incorporation of the NAIC model forms by reference, would ensure that Washington is consistent with the NAIC Model Regulation in regard to disclosure requirements and provide certainty to regulated parties both now and into the future.

In closing, FACC wishes to commend OIC staff for their continuing commitment to adoption of updates to the NAIC Model Regulation incorporating best interest obligations for annuity sales which we believe will serve Washington industry and consumers well. Thank you again for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, representing the name Kim O'Brien.

Kim O'Brien, CEO