

AGENT ADVISORY

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Effective Date: April 11, 2006

TO: Symetra Life-Appointed Agencies in Idaho
RE: Idaho's Requirements for Annuity Sales to Seniors — Regulation 18.01.09

Idaho has approved a regulation to adopt the NAIC Sales to Seniors model regulation, effective April 11, 2006. The purpose of this rule is to establish standards and procedures surrounding annuity-related recommendations to senior consumers, age 65 and older. The new rule ensures that any annuity product being recommended fits the needs and financial objectives of seniors at the time of the transaction. A copy of the regulation is attached (see "Forms"). We encourage you to read it carefully.

For your convenience, we have provided definitions and a summary of the rule below:

Definitions

- **Annuity** — A fixed or variable, individual or group annuity that is individually solicited.
- **Insurer** — Includes every person engaged as an indemnitor, surety or contractor in the business of entering into contracts of insurance or of annuity.
- **Producer** — A person required to be licensed under the laws of this state to sell, solicit or negotiate insurance, including annuities.
- **Recommendation** — Advice provided by a producer, or an insurer if no producer is involved, to an individual senior consumer that results in a purchase or exchange of an annuity in accordance with that advice.
- **Senior consumer** — A person 65 years of age or older.

Duties of the Insurance Agent and Agency

- An insurance agent shall have reasonable grounds for believing that any recommendation to a senior consumer is suitable on the basis of the facts disclosed by the consumer as to their investments, other insurance products and their financial needs.
- Before executing a purchase of an annuity to a senior consumer, an insurance agent must make reasonable efforts to obtain information concerning the consumer's financial status, tax status and investment objections.
- If a producer sells an annuity to a senior consumer that is not the product recommended, the producer must document that the recommendation was not accepted as presented, and obtain the signature of the senior consumer evidencing the rejection or modification of the recommendation. This requirement has been added to the LP-1514/ID.

- A system to comply with this statute must be established. It must include provisions for:
 - Maintaining written procedures.
 - Completing periodic reviews of records designed to detect and prevent violations of this rule.
- An agent or agency must keep records of information collected in making recommendations to senior consumers for as long as the contract is in force. If the producer terminates the appointment with the insurer, the producer must remit copies of all records of all information collected from the senior consumer to the insurer within twenty-one days of termination. We are asking for this documentation with the application, so it isn't overlooked at a later date.

Exemptions

- Direct-response solicitations.
- Contracts used to fund:
 - Employee pension or welfare benefit plans covered by ERISA.
 - Plans described by Sections 401(a), 401(k), 403(b), 408(k) or 408(p) of the IRS code of 1986, if established or maintained by an employer.
 - Government or church plans defined in Section 414 of the IRS Code of 1986; or a deferred compensation plan of a state or local government, or tax-exempt organization under Section 457 of the IRS Code of 1986.
 - A nonqualified deferred compensation arrangement established or maintained by an employer.
 - Structured settlements.
 - Prepaid funeral contracts.
 - Variable annuities — NASD Conduct Rules pertaining to suitability will satisfy the requirements under this rule.

Duties of an Insurer

- The insurer must maintain written procedures.
- The insurer must conduct periodic reviews of records designed to assist in detecting and preventing violations of this rule.

As part of our procedure to comply with this rule, we will require the attached disclosure, LP-1514/ID 6/06 (see "Forms"), be completed and signed with each application for an annuity subject to this regulation. For additional copies of this form, visit www.symetra.com or photocopy the attached.

If you have questions, please contact the Sales Center at invest@symetra.com or 1-800-706-0700.

Sincerely,

Michael Murphy, Assistant Vice President
Compliance Department
Symetra Life Insurance Company

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