

AGENT ADVISORY

Number: 2007-44
Publication Date: Feb. 13, 2007
Effective Date: March 1, 2007

TO: All Symetra-Appointed Agencies in Ohio
RE: Ohio's Life Insurance and Annuities Replacement Regulation 3901-6-05

Ohio has adopted the *July 2000 NAIC Life Insurance and Annuities Replacement Model Regulation*, effective March 1, 2007. The purpose of the regulation is to:

- Regulate the activities of insurers and producers with respect to the replacement of existing life insurance and annuities.
- Protect the interests of life insurance and annuity purchasers by establishing minimum standards of conduct to be observed in replacement or financed purchase transactions.

An insurance company must maintain a system of supervision and control to ensure compliance with the requirements of the regulation, which includes at least the following:

- Informing its producers of the requirements of this regulation, and incorporating the requirements of this regulation into all relevant producer training manuals prepared by the insurer.
- Providing to each producer a written statement of the company's position with respect to the acceptability of replacements (Symetra's position is provided below).
- Providing guidance to its producers as to the appropriateness of these transactions.
- A system to review the appropriateness of each replacement transaction in accordance with the company's position.
- Procedures to confirm that the requirements of this regulation have been met.
- Procedures to detect transactions that are replacements of existing policies or contracts by the existing insurer, but that have not been reported as such by the applicant or producer. Compliance with this regulation may include, but shall not be limited to, systematic customer surveys, interviews, confirmation letters or programs of internal monitoring.

Symetra's Position

Symetra makes every attempt to govern replacement activities with the policy owner's interests foremost in mind. We do not encourage or condone wholesale, indiscriminate replacement of existing life insurance and/or annuity policies. This includes not only replacement of other companies' policies, but also the replacement of our own policies. At the same time, we acknowledge that sometimes a replacement can be in the best interest of the client.

Duties of Producers

We are enclosing an implementation packet that includes the following materials:

- An executive summary of how the regulation affects you, entitled "Complying With Ohio's Replacement Regulation for Life Insurance and Annuities."
- The new replacement form, "Important Notice: Replacement of Life Insurance or Annuities" (LU-745). For additional copies of the replacement form you may print from [our agent Web site](#), or reorder through your usual supply channels.
- "Statement of Existing Insurance" (LU-766) (required for applications for Preference or Preference FP only). For additional copies, you may print from [our agent Web site](#), or reorder through your usual supply channel.
- Ohio's Regulation 3901-6-05 — "Replacement of Life Insurance and Annuities."

Please pay careful attention to the summary, "Complying With Ohio's Replacement Regulation for Life Insurance and Annuities," as it provides important information about the regulations that you need to know, including the "exemptions."

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

Sincerely,

Michael Murphy
Assistant Vice President
Compliance Department