



State of Utah

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Insurance Department

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Insurance Commissioner

BULLETIN 2024-12(a)

To: Utah Life Insurance and Annuity Licensees
From: Jonathan T. Pike, Utah Insurance Commissioner
Date: December 10, 2024
Subject: **Annuity Suitability**

The Utah Insurance Department issues this Bulletin to provide guidance and to reinforce the requirements for suitability in annuity transactions as stated in Utah Admin. Code [R590-230](#), Suitability in Annuity Transactions.

When making a recommendation for the sale of an annuity, including an exchange or replacement of an annuity, an insurer and producer shall act in the best interest of the consumer under the circumstances known at the time the recommendation is made, without placing the producer's or the insurer's financial interest ahead of the consumer's interest. Before issuing an annuity, a producer shall comply with the best interest obligations in Subsection [R590-230-4\(1\)](#).

In the case of an exchange or replacement of an annuity, the producer shall consider the entire transaction, which includes taking into consideration whether the consumer:

1. will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits, or be subject to increased fees, investment advisory fees, or charges for riders and similar product enhancements; or
2. has had another annuity exchange or replacement, including an exchange or replacement within the preceding 60 months.

A licensee who fails to meet the best interest obligations or another provision of Rule [R590-230](#) may be subject to enforcement penalties under Utah Code § [31A-2-308](#).

For questions related to this Bulletin, please contact the Health and Life Division at life.uid@utah.gov or (801) 957-9290.

DATED this 10th day of December 2024.



Jonathan T. Pike
Insurance Commissioner