

New York Life



New York State Department of Financial Services Regulation 187

Background:

The New York State Department of Financial Services has amended its Regulation 187 (“Reg. 187”) which imposes new best interest and suitability obligations on producers who recommend life insurance transactions in New York State (“NYS”). Insurers also have a delegable supervisory duty to ensure the suitability of such transactions, as well as related training and monitoring obligations. These amendments take effect on **February 1, 2020**.

Retail Life Policies:

Producers who recommend retail life insurance policies in NYS must comply with Reg. 187.

NYL Reg. 187 Requirements:

Starting February 1, 2020, NYL will accept applications for all retail life insurance policies in NYS subject to the following requirements:

- 1. Training.** Prior to recommending a covered life insurance transaction in NYS, producers must complete:
 - a. LIMRA’s Reg. 187 best interest training (Reg. 187 best interest training by another vendor must be approved by NYL); and
 - b. LIMRA’s NYL Product training via LIMRA.

See the [attached instructions](#) for completing New York Life’s training via the LIMRA website.

- 2. Suitability.** Producers must ensure the suitability of each recommended covered life insurance transaction and document the basis for such suitability in a newly created Client Profile submitted with each application. Broker-dealers must verify the suitability of variable universal life transactions.

- 3. Best Interest.** Producers must ensure that a covered life insurance transaction is in the best interest of the customer and provide NYL’s Best Interest Affirmation to both the customer and NYL. NYL will accept a registered broker-dealer’s certification of compliance with this requirement only if it has accepted delegation of Reg. 187 supervisory duties from NYL as a result of consenting to the terms of the Notice of Amendment to Selling Agreement—Life Insurance Transactions Subject to NYS 187 and other Standards of Care Initiatives delivered by New York Life Insurance and Annuity Corporation and NYLIFE Distributors LLC.

NYL reserves the right to reject any NYS life insurance application received for a covered life insurance transaction that does not meet any of these requirements.