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**NAIC 2020 SUITABILITY IN ANNUITY TRANSACTIONS MODEL REGULATION**

**Financial Professional Record Retention and Required Documentation Checklist**

**As a Nationwide appointed and state licensed producer, it is important to maintain and make available upon request to Nationwide or a state regulator a record of your customer information collected, documentation relating to the recommendation and whether the customer elected to purchase an annuity contract. Please maintain all active customer files indefinitely and all inactive customer files for seven (7) years.**

Nationwide has developed this checklist to assist you as the financial professional with state required Suitability/Best Interest documentation and record keeping requirements. The checklist reflects Nationwide’s current understanding of the Regulation and any future changes will be published on nationwidefinancial.com.

If the Financial Professional’s firm conducts suitability, it is the responsibility of the Financial Professional to follow their Firm’s policies and procedures including the Books and Records requirements. It is important to understand that any state regulator could request this information from **you** as part of a complaint or regulatory inquiry.

**For each annuity sales transaction in which you submit a new business application, you must complete:**

* Need Analysis
* Product Comparisons
* Signed Carrier Application
* Signed Customer Profile (i.e., Best Interest/Suitability form)

**For each transaction in which you interact with a customer, you should document whether:**

* New recommendation
* No recommendation made
* Customer decision made against the Financial Professional recommendation
* Customer refuses to provide relevant suitability information
* Recommendation made and later found to be inaccurate material information

**Where applicable, your file must also contain evidence that you informed the customer of the following:**

* The basis for each recommendation
* Product advantages/disadvantages and non-guaranteed elements
* Your relationship with the customer
* How compensation is paid for the sale of the annuity contract
* Any impact of replacing an existing product

**For each transaction you must provide the customer with:**

* Applicable disclosures.
* Carrier product summary or guide
* NAIC Customer Disclosure
* Disclosure of product limitations (if applicable)
* Replacement disclosure (if applicable)
* Any additional state required disclosures (if applicable)

**Retain all sales documentation used in making the recommendation, and anything else that may assist in supporting ANY recommendation and protecting you from potential customer complaint or regulatory scrutiny. This includes but is not limited to:**

* Training Completion Certifications
* Need Analysis
* Product Comparisons
* Signed Carrier Application
* Signed Customer Profile (i.e., Suitability Form)
* Signed Illustrations
* Sales material
* Personal notes including steps taken and analysis performed leading up to the recommendation
* Any required post issue documents such as delivery receipts

**Training & Other Considerations:**

* You must complete an NAIC Suitability/Best Interest course and maintain a copy of the certification of completion.
* You must complete the required product training prior to solicitation and maintain a copy of the certification of completion.
* Document any recommendation which does not result in a transaction in your file, such as a recommendation to hold.
* Document any recommendation which results in an annuity sales transaction and specifically elaborate on the “why” the basis of the recommendation is suitable. If the recommendation changes based on new information, document “why” the recommendation changed and “why” the basis of the new product recommendation is suitable

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Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio.

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