

## Agenda

**CEFLI Compliance & Ethics Committee Meeting**  
**Thursday, February 11, 2021**  
**2 PM EST/1 PM CST/12 Noon MST/11 AM PST**  
**Dial In: (800) 239-9838**  
**Passcode: 1022068**

- I. Welcome and Introduction. Donald J. Walters**
- A. Antitrust Statement.
- II. Approval of Minutes – January 13, 2020 Meeting. The Committee**
- III. Issues for Review. The Committee**
- A. Coronavirus (COVID-19).

Our agendas for future Committee meetings over the next several months will include a standing agenda item to offer an opportunity to raise any issues associated with regulatory requirements/guidance, operational practices, work from home challenges and return-to-work strategies as the COVID-19 pandemic continues.

***The Committee will be asked to discuss any COVID-19 compliance-related issues, any updates with respect to return-to-work strategies and any plans to resume normal business travel in 2021.***

- B. Contract and Policy Surrenders.

As life insurance companies focus on improving their processes related to policyholder services, companies may be faced with balancing their desire for specific information and formal procedures, with consumers' desires for streamlined and convenient processes.

Regarding policy and contract surrender requests, a variety of business practices may be relied upon within the life insurance industry. For example:

- *Company procedures may or may not require policyholders to provide the reason for the surrender request.*
- *To the extent companies require a reason, the way the question is posed may vary. For example, a company's surrender form may include an*

*open-ended question regarding the surrender reason, or it may offer predetermined options (checkbox options) for the surrender reason.*

- *To the extent that companies will process a surrender request without the need to complete a form, companies may still elect to ask the policyholder about the reason for the surrender.*
- *Companies may or may not view the surrender reason to be a required field.*
- *To the extent the policyholder's response is optional, the percentage of policyholders who provide the information may vary.*
- *Life insurance companies may or may not conduct outreach to the policyholder following the processing of a surrender.*

***Committee Members will be asked to share their practices related to the handling of policyholder requests to surrender a policy or contract.***

C. Complaint Handling - Processing of DOI or other Regulatory Complaints.

Most businesses receive complaints. Life insurance companies are no exception. Notwithstanding efforts to conduct business operations effectively and efficiently, life insurance companies may also receive complaints from consumers and state insurance departments (DOIs) or other regulatory authorities.

Life insurance companies institute a variety of complaint handling processes. At some life insurance companies, all complaints are handled through business operations regardless of their origin. At other life insurance companies, consumer complaints may be handled through one process and DOI or other regulatory complaints may be handled in another manner.

Therefore, a question has been presented to gain an understanding of the range of practices life insurance companies may utilize to respond to state insurance department or other regulatory complaints.

For example:

- *Does your company handle all complaints similarly regardless of their origin?*
- *Does your company handle complaints from state insurance departments or other regulatory authorities differently from consumer complaints?*

- *If so, are state insurance department or other regulatory authority complaints handled by a different department (e.g., compliance, legal, etc.) then consumer complaints?*
- *Does your company analyze correspondence received from state insurance departments or other regulatory authorities to determine whether the inquiry constitutes a “complaint” or whether it is a general request for information?*

***The Committee will be asked to discuss their company’s practices with respect to handling of complaints by state insurance departments or other regulatory authorities.***

D. Due Diligence Questionnaires Received from External Organizations.

Life insurance companies receive a high volume of due diligence questionnaires seeking information on behalf of vendors or other third parties concerning a life insurance company’s practices in various areas.

Over the past several years, life insurance companies have received an increasing number of questionnaires to gather information concerning a life insurance company’s capabilities in areas such as anti-money laundering, cybersecurity and other risk control practices.

Some companies are exploring whether to establish centralized processes to address the receipt and completion of due diligence questionnaires received by their companies rather than have the individual recipient of each due diligence questionnaire provide a unique response on behalf of the life insurance company.

***The Committee will be asked to discuss their practices with respect to receiving and responding to due diligence questionnaires received by their companies.***

E. State Securities Department Examinations of Broker-Dealers Affiliated with Life Insurance Companies.

In recent months, several member companies have reported an increase in examinations by state securities departments of broker-dealers affiliated with life insurance companies.

A question has been presented concerning whether life insurance companies that may have affiliated broker-dealers have experienced an increase or decrease in examinations by state securities departments when compared to the past state securities department examination activities.

***The Committee will be asked to discuss whether broker-dealers affiliated with life insurance companies may have experienced an increase or decrease in examinations by state securities departments when compared to past state securities department examination activities.***

**IV. Reporting Items.**

**CEFLI Staff.**

**A. Adoptions of the Revised NAIC Suitability in Annuity Transactions Model Regulation.**

CEFLI continues to monitor developments related to possible adoptions of the revised NAIC Suitability in Annuity Transactions Model Regulation in various states.

Since the Committee's last meeting, three additional states have adopted the Model Regulation: Rhode Island, Delaware and Ohio.

Rhode Island's adoption of the revised Model Regulation can be found [here](#). The Rhode Island regulation is effective on April 1, 2021.

Delaware approved its version of the revised Model Regulation which can be found [here](#). The Delaware regulation is effective on August 1, 2021 (six months after publication of the amended regulation).

Michigan adopted its revised rule, found [here](#), with an effective date of February 14, 2021. Insurers and producers will have six (6) months from that date to comply with the revised rule.

To date, CEFLI is aware of the following state adoptions of the revised Model Regulation: Arizona, Arkansas, Delaware, Iowa, Michigan, Ohio and Rhode Island.

It is anticipated that other states will be introducing similar legislation/regulations over the next several months. CEFLI is aware of proposals in the following states: Alabama, Idaho, Kentucky, Maine, Nebraska, and North Dakota and Virginia.

***The Committee will be asked to discuss any updated developments with respect to plans by states to introduce legislation/regulations to adopt the revised NAIC Suitability in Annuity Transactions Model Regulation.***

B. Department of Labor: Revised Fiduciary Rule.

On December 18, 2020, the Department of Labor issued the final version of its [Prohibited Transaction Exemption 2020-02, Improving Investment Advice for Workers & Retirees](#). The revised rule regulates “investment advice fiduciaries” and replaces the DOL’s previous rule (promulgated in 2016, vacated in 2018). The revised rule confirms the reinstatement of the five-part test for determining whether investment advice has been provided and it provides for a prohibited class exemption based on “impartial conduct standards.”

CEFLI recently added three articles developed by CEFLI Affiliate Member Faegre Drinker, regarding the revised DOL Fiduciary Rule, to the [Additional Resources](#) page of CEFLI’s website.

CEFLI maintains a variety of different resources on the Additional Resources page of the CEFLI website. We hope you find these tools to be helpful in your efforts to promote compliance and ethics at your respective companies.

C. FINRA 2021 Risk Monitoring and Examination Priorities Report.

FINRA recently released its [2021 Risk Monitoring and Examination Priorities Report](#). The new publication replaces two of FINRA’s prior publications: (1) the Report on Examination Findings and Observations, which provided an analysis of prior examination results, and (2) the Risk Monitoring and Examination Program Priorities Letter, which highlighted areas FINRA planned to review in the coming year.

This Report is useful in helping firms to identify areas that may undergo heightened review as part of FINRA’s 2021 examination activities. The Report also summarizes noteworthy findings from recent examinations and outlines effective practices that FINRA observed during its oversight activities.

Areas of focus identified in the 2021 Report include:

- Regulation Best Interest and Form CRS;
- Cybersecurity; and
- Variable Annuity Exchanges.

The Report’s section on [Variable Annuities](#) may be of specific interest to life insurers. This section of the Report includes exam findings and effective practices related to the distribution of variable annuities.

D. Compliance Oversight Resources.

CEFLI recently developed a set of resources materials covering the NAIC Life Insurance and Annuities Replacement Model Regulation. The materials include a brief webinar (30 minutes) and a presentation deck summarizing the key requirements of the model, a link to the NAIC Model Regulation, and a checklist of factors to consider when conducting compliance oversight related to the Model Regulation.

The materials can be found on [this page](#) of CEFLI's website.

**V. CEFLI Activities.**

A. Webinar – Ethics: Training the Next Generation of Compliance Leaders.

CEFLI will be conducting the next installment of its Educational Webinar Series with a session devoted to Ethics: Training the Next Generation of Compliance Leaders. During the webinar, a panel of leading ethics professors will address how colleges and universities are training the next generation of compliance leaders to address ethical decision-making in everyday business practices.

Registration information for the webinar can be found on [this page](#) of CEFLI.org. The webinar will be conducted via the Cisco Webex platform.

Please plan to join us!

B. Webinar - Unclaimed Property Revisited: Proactive Compliance Strategies.

CEFLI conducted an Educational Webinar on the topic of Unclaimed Property Revisited: Proactive Compliance Strategies, featuring Cornel Lupu of Sovos (formerly with Keane, a provider of Unclaimed Property consulting services).

The webinar offered an overview of the history of Unclaimed Property issues in the life insurance industry, it addressed the use of state VDA programs, it covered current examination activities, and it offered best practices for the oversight and maintenance of continued compliance.

The recorded webinar and presentation materials can be accessed from [this page](#) of CEFLI's website.

C. Regulatory Forum.

CEFLI conducted a meeting of its Regulatory Forum on Wednesday, January 27. CEFLI's Regulatory Forum provides an opportunity to gain insights from regulators representing organizations such as the SEC, FINRA, NAIC, and various state insurance departments.

Meetings of CEFLI's Regulatory Forum are open to representatives of CEFLI Premier Partner companies.

During the January Forum, Nour Benchaaboun of the Maryland Insurance Administration, John Haworth of the Washington State Office of the Insurance Commissioner, and Richard Wicka of the Wisconsin Office of the Commissioner of Insurance convened as a panel to share their perspectives on the compliance challenges that lie ahead in 2021.

Following the Forum meeting, CEFLI provided Forum members with a copy of the Executive Summary CEFLI developed covering the SEC Roundtable conducted on October 26, 2020. A copy of the Executive Summary can be found on [this page](#) of CEFLI's website.

D. Advertising Review Networking Forum.

CEFLI's Advertising Review Networking Forum met on Tuesday, February 9<sup>th</sup>. The Forum meets bimonthly to discuss current compliance challenges related to advertising review. The next meeting of the Forum is scheduled for Tuesday, April 13<sup>th</sup>. Individuals interested in joining the Forum may contact [NancyPerez@CEFLI.org](mailto:NancyPerez@CEFLI.org).

**VI. Next Meeting.**

The next meeting of the Committee is scheduled to take place:

Wednesday, March 10, 2021 - 2 PM EST/1 PM CST/12 Noon MST/11 AM PST

Other 2021 Committee meetings are scheduled to take place as follows:

Wednesday, April 14, 2021 - 2 PM EDT/1 PM CDT/12 Noon MDT/11 AM PDT

Wednesday, May 12, 2021 - 2 PM EDT/1 PM CDT/12 Noon MDT/11 AM PDT

Wednesday, June 9, 2021 - 2 PM EDT/1 PM CDT/12 Noon MDT/11 AM PDT

Wednesday, July 21, 2021 - 2 PM EDT/1 PM CDT/12 Noon MDT/11 AM PDT

Wednesday, August 11, 2021 - 2 PM EDT/1 PM CDT/12 Noon MDT/11 AM PDT

Wednesday, September 15, 2021 - 2 PM EDT/1 PM CDT/12 Noon MDT/11 AM PDT

Wednesday, October 13, 2021 - 2 PM EDT/1 PM CDT/12 Noon MDT/11 AM PDT

Wednesday, November 10, 2021 - 2 PM EDT/1 PM CDT/12 Noon MDT/11 AM PDT

Wednesday, December 8, 2021 - 2 PM EST/1 PM CST/12 Noon MST/11 AM PST

Please mark your calendar and plan to join us!

**VII. Other Business.**

***The Committee will be asked to identify and discuss any other business to be brought before the Committee.***



**DRAFT**

**Minutes  
Meeting of the  
CEFLI Compliance & Ethics Committee  
January 13, 2021**

A meeting of the CEFLI Compliance & Ethics Committee (the “Committee”) was held via conference call on Wednesday, January 13, at 2 PM EST/1 PM CST/12 Noon MST/11 AM PST.

The following CEFLI member company representatives participated in the meeting:

Keith Schroeder, American-Amicable Life Insurance Company  
Megan Smith, American Enterprise Group  
Bill Turner, American Fidelity Assurance Company  
Chris Lamendola, Amica Life Insurance Company  
Jill Fiddler, Assurity Life Insurance  
Chad Batterson, Athene  
Chris Wilkie, Baltimore Life Insurance Company  
Christine Williams, Boston Mutual  
Kim Langdon, Brighthouse Financial  
Kristin Laster, Brighthouse Financial  
Steve Corbly, The Cincinnati Life Insurance Company  
Paula Gentry, The Cincinnati Life Insurance Company  
Cindy Stubblefield, The Cincinnati Life Insurance Company  
Larry Welch, Citizens, Inc.  
Nancy Sweet, CNO Financial Group  
Chris Vellante, Delaware Life Insurance Company  
De Keimach, Delaware Life Insurance Company  
Jamie Waters, EquiTrust Life Insurance Company  
Matthew Chisholm, Erie Insurance Group  
Brian Leary, Fidelity Investments Life Insurance Company  
Jenna Austin, Guggenheim Life and Annuity Company  
Lisa Harpenau, Guggenheim Life and Annuity Company  
Dustin Degroote, Homesteaders Life Company  
Emily Wilburn, Illinois Mutual Life Insurance Company  
Sakina Sharp, Kemper  
Monica Sole, Lincoln Heritage Life Insurance Company  
Sally Roudebush, Lincoln Heritage Life Insurance Company  
Michelle Ross, Lombard International  
Alison Soderberg, Lombard International  
Donna Brown, Lombard International

Minutes – CEFLI Compliance & Ethics Committee Meeting

January 13, 2021

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Valarie Murray, Lombard International  
Ellen Reynolds, Modern Woodmen Of America  
Jerie Olson, National Guardian Life Insurance Company  
Molly Akin, The Ohio National Life Insurance Company  
Martin Karp, Oxford Life Insurance Company  
Lauren Barbaruolo, Oxford Life Insurance Company  
Megan Gonzales, Oxford Life Insurance Company  
Lisa Hankins, Pacific Guardian Life Insurance Company, Ltd  
Dina Miyahira, Pacific Guardian Life Insurance Company, Ltd  
Monique Pascual, Pacific Guardian Life Insurance Company, Ltd  
Emaad Moinuddin, Pacific Life Insurance Company  
Matt Missik, Pacific Life Insurance Company  
Belinda Howard, Principal  
Megan Phillips, Principal  
Michelle Holmes, Resolution Life US  
Patrick Wallen, Resolution Life US  
Mark Lasswell, RiverSource  
Kevin Mechtley, Sammons  
Nathan Huss, Sammons  
Dan Leblanc, The Savings Bank Mutual Life Insurance Company of Massachusetts  
Deb Cooper, Securian Financial  
Nate Kolle, Securian Financial  
Kathy Wiggins, Voya  
Brooks Graves, Southern Farm Bureau  
John Sarris, Southern Farm Bureau  
Leslie Smith, Southern Farm Bureau  
Lisa Holland, State Farm Life Insurance Company  
Kathy Deputy, State Farm Life Insurance Company  
Rachel Gomez, State Farm Life Insurance Company  
Nicole Blakney, State Farm Life Insurance Company  
Sandy Ray, Symetra Life Insurance Company  
Sande Chaffin, Texas Life Insurance Company  
Jim Odland, Thrivent  
Ben Kuebbing, Western & Southern Financial Group  
Kate Blalock, Western & Southern Financial Group  
Hannah Krone, Western & Southern Financial Group  
Molly Swami, Western & Southern Financial Group  
Rochelle Walk, Wilton Re  
Nick Olari, Woodmen of the World Life Insurance Society

Donald J. Walters, President & CEO, Carla Strauch, Vice President - Compliance & Ethics, and Mallory Hart, Director of Member Relations, Communications and Meetings, also attended the meeting.

**I. Welcome and Introduction.**

The meeting began with a recitation of CEFLI's anti-trust statement.

**II. Approval of Minutes – December 16, 2020.**

On motion, duly made and seconded and unanimously carried, the Committee: RESOLVED, that, the Minutes of the December 16, 2020 meeting are hereby approved.

**III. Issues for Review.**

**The Committee**

**A. Coronavirus (COVID-19).**

The Committee was asked to discuss any compliance-related issues associated with regulatory requirements/guidance, operational practices, work from home challenges and return to work strategies associated with the COVID-19 pandemic.

One Committee member indicated their company has been in Phase I since the end of June, with 10% of staff working from the office. The company indicated it is not contemplating bringing more staff back to the office, in the immediate future.

**B. Massachusetts Bulletin 2020-30 - Continued Flexibility in the Issuance and Administration of Insurance during the COVID-19 (Coronavirus) Public Health Crisis.**

Over the past several months, the Committee has discussed compliance issues associated with implementation of various regulatory bulletins designed to protect consumer interests impacted by the onset of the COVID-19 pandemic.

Recently, the Massachusetts Division of Insurance issued Bulletin 2020-30 (see copy [here](#)) (which referenced previous Bulletin 2020-05) to encourage insurers to take steps to address concerns regarding maintaining various types of insurance coverages in the Massachusetts insurance market during the COVID-19 pandemic.

Committee members were asked to discuss plans to comply with the requirement of the Massachusetts Division of Insurance Bulletin 2020-30 "to proactively provide policyholders with information about how to contact an insurer to investigate options that may be available to prevent a loss of coverage."

One Committee member asked whether it would be sufficient for an insurer to post information regarding policy flexibility within the insurer's COVID-19 resources page of the company's website. Or, whether any insurers planned to

mail notices to impacted Massachusetts policyholders.

A Committee member indicated that their company's Legal department had reviewed the Bulletin and determined that, while Bulletin 2020-30 suggests actions insurers are encouraged to take, it does not require specific action. The Committee member also indicated there is an American Property Casualty Insurance Association (AICPA) Bulletin (dated 12/30/20) on this topic.

Another Committee member indicated that they will not be conducting a mailing, they that they will continue to listen to policyholders who contact the company, and they will make adjustments on a case-by-case basis.

C. Compliance Strategies - NAIC Suitability in Annuity Transactions Model Regulation.

The NAIC recently approved a revised version of the NAIC Suitability in Annuity Transactions Model Regulation which is now being adopted in various states. A link to the Model Regulation is included [here](#).

Appendix B of the revised Model Regulation requires a consumer to confirm that they are refusing to provide requested suitability information (or they are choosing to provide only limited suitability information) to allow a producer to recommend a product that effectively meets the financial situation, insurance needs and financial objectives of the consumer. In essence, completion of Appendix B would allow an insurer to know that the producer attempted to obtain suitability information from the consumer but that the consumer either refused to provide this information or chose to provide only limited information concerning the annuity transaction.

Appendix C of the revised Model Regulation requires a consumer to confirm that their purchase of an annuity is taking place without a recommendation (i.e., on an unsolicited basis).

Committee Members were asked to discuss their compliance strategies with respect to the use of Appendix B and/or Appendix C of the revised NAIC Suitability in Annuity Transactions Model Regulation.

Several Committee members indicated they would not allow the use of Appendix B or C. Such Committee members indicated they require suitability information before issuing an annuity contract. One Committee member indicated they may allow the use of Appendix B, following an in-depth conversation with the producer, for purposes of obtaining and documenting information regarding the recommendation and the client's situation.

D. Impact of 2020 Election on Regulatory Activities.

Some observers of the results of the recent 2020 election have indicated that they anticipate an increase in regulatory activities with a greater focus on consumer protection. Legislation is anticipated to address concerns regarding privacy, cybersecurity, and other consumer protection measures.

Members of the Committee were asked to discuss whether they may be planning new or different compliance strategies in anticipation of a possibly changed regulatory environment with an increased focus on consumer protection efforts.

A few Committee members indicated their companies are waiting to understand how the Biden Administration will react. One Committee member noted their company is also monitoring for any developments with the SEC, specific to Regulation Best Interest, given the change in agency leadership.

E. Regulatory Examination Activities – Data Requests - 2020 - 2021.

CEFLI recently conducted a webinar to explore The Future of Market Regulation in a Post COVID-19 environment.

One of the key findings of the webinar was that companies have reportedly experienced an increase in data requests as part of market analysis from various state insurance departments.

Moreover, since regulators have increasingly relied upon data that can be provided without having to conduct an in-person examination of a company in a COVID-19 environment, it is anticipated that regulators will continue to rely upon data requests as a primary regulatory technique in their regulatory reviews of life insurance companies in 2021.

Committee Members were asked to discuss their experiences with respect to the receipt of any data requests from state insurance regulators in 2020, and whether they anticipate an increase/decrease in data requests in 2021.

Several members of the Committee indicated they saw an increase in regulatory data requests in 2020, primarily focused on annuity suitability. A member of the Committee also indicated that Property/Casualty insurance companies saw an increase in regulatory data requests related to COVID-19 (e.g., business continuity questions, auto insurance premium questions, etc.). One Committee member indicated they had experienced a decrease in regulatory requests in 2020.

Looking ahead to 2021, one Committee member indicated their company received three market regulation inquiries during the first eight business days of 2021.

F. Prohibited Transaction Exemption 84-24 Disclosures - New DOL Fiduciary Rule.

In December 2020, the US Department of Labor (“DOL”) published a final version of its revised Fiduciary Rule (Prohibited Transaction Exemption (PTE) 2020-02). (A copy of the revised Fiduciary Rule can be found [here](#).)

The revised DOL Fiduciary Rule was issued, in part, in response to a ruling by the US Court of Appeals for the Fifth Circuit in June 2018 vacating the prior version of the DOL Fiduciary Rule. The revised DOL Fiduciary Rule was drafted to comport with the requirements of the SEC’s Regulation Best Interest. It remains to be seen whether the incoming Biden Administration will take action to rescind the revised Fiduciary Rule that is scheduled to become effective on February 16, 2021.

Committee members were asked to discuss whether they are planning to develop new or revised disclosures to comply with PTE 84-24 under the revised DOL Fiduciary Rule. One Committee member indicated their company is moving forward, despite field push back, with work related to the new 5-part test, following guidance from outside counsel and a few trade groups who feel the revised 5-part test is unlikely to be altered by the new administration.

A few other Committee members indicated their companies are temporarily taking a wait-and-see approach given the change in the administration. They also indicated they are in a position to quickly take action, if needed, as a result of past DOL Fiduciary Rule work completed prior to the Rule being vacated.

**IV. Reporting Items.**

**CEFLI Staff.**

A. Adoptions of the Revised NAIC Suitability in Annuity Transactions Model Regulation.

CEFLI continues to monitor developments related to possible adoptions of the revised NAIC Suitability in Annuity Transactions Model Regulation in various states.

Since the Committee’s last meeting, two more states have adopted the Model Regulation: Arkansas and Michigan.

Arkansas’ adoption of the revised Model Regulation can be found [here](#). The Arkansas regulation became effective on December 29, 2020. Arkansas also issued a bulletin related to their revised regulation, indicating the industry will be

allowed six months from the effective date to comply. That bulletin can be found [here](#).

In addition, Michigan also approved its version of the revised Model Regulation which can be found [here](#). (Section 4151 of House Bill 4508 (beginning on page 6) includes Michigan's adoption of the revised Model Regulation.) The Michigan regulation will become effective on June 29, 2021 (six months after approval by the Governor which took place on December 29, 2020).

It is anticipated that other states will be introducing similar legislation/regulations over the next several months.

It was noted that a new proposal, in the state of Maine, varies from the NAIC Model Regulation by requiring a client signature on each page of the disclosure. Industry trade groups and interested parties have shared their concerns with the Insurance Department.

It was also noted that a bill has been introduced in the state of Nebraska.

#### B. NAIC Insurance Department Resources Report.

The NAIC recently published Volume II of the Insurance Department Resources Report. The Insurance Department Resources Report provides key statistics related to the resources and regulatory activities of the NAIC's members. Volume II focuses on premium data and ratios related to budget, revenue, and premium data.

Please note that a copy of this report can be found [here](#) on the CEFLI website. A link is also included on the on the [Additional Resources page](#) of CEFLI's website.

CEFLI maintains a variety of different resources on the Additional Resources section of the CEFLI website. We hope you find these tools to be helpful in your efforts to promote compliance and ethics at your respective companies.

#### C. FINRA Regulatory Notice – 20-42 – Seeking Comments - COVID-19.

FINRA issued Regulatory Notice 20-42 to request comments for member firms on changes they made to address the COVID-19 pandemic. (A copy can be found [here](#).)

FINRA is asking firms to respond to 28 questions in six categories related to firm operations as well as possible recommendations to change FINRA rules in light of the COVID-19 pandemic. Comments are to be submitted to FINRA by February 16.

D. SEC Plans to Expand Scope of its Regulation Best Interest compliance.

The SEC's Office of Compliance Inspections and Examinations ("OCIE") recently issued a public statement indicating that, beginning in January 2021, OCIE intends to expand the scope of examinations that focus on specific requirements of Regulation Best Interest, including those that go beyond suitability standards and require broker-dealers to have a reasonable basis to believe that recommendations are in the best interests of retail customers. A copy of the public statement can be found [here](#).

OCIE also intends to conduct enhanced transaction testing designed to examine whether broker-dealers have effectively implemented their written policies and procedures.

OCIE is encouraging firms to continue to evaluate their processes and, in particular, to consider whether the initial programs adopted to achieve the June 30, 2020 compliance date are, in practice, reasonably designed to achieve compliance with Regulation Best Interest.

E. Jay Clayton Resigns as SEC Chair.

SEC Chair Jay Clayton published his resignation and left the SEC on December 23 despite initially indicating he would serve as SEC Chair until June 2021. In November, he indicated he would leave by year end 2020.

F. NAIC Announces Committee Leadership.

The NAIC recently announced their 2021 Committee leadership assignments:

NAIC Life Insurance and Annuities (A) Committee  
Chair: New Jersey Commissioner Marlene Caride  
Vice Chair: Oklahoma Commissioner Glen Mulready

NAIC Market Regulation and Consumer Affairs (D) Committee  
Chair: Nevada Commissioner Barbara Richardson  
Vice Chair: Kentucky Commissioner Sharon Clark

**V. CEFLI Activities.**

A. Webinar - Unclaimed Property Revisited: Proactive Compliance Strategies.

CEFLI will be conducting the next installment of its Educational Webinar Series with a session devoted to Unclaimed Property Revisited: Proactive Compliance Strategies with Cornel Lupu of Sovos (formerly with Keane, a provider of Unclaimed Property consulting services).



This session will provide informative information concerning Life Insurance Company Unclaimed Property compliance management. The webinar will offer a brief overview of the history of Unclaimed Property issues in the life insurance industry before addressing the use of state VDA programs. The session will include a review of current examination activities and will conclude with best practices for the oversight and maintenance of continued compliance.

Registration information for the webinar will be added to [this page](#) on CEFLI.org, within the next day. The webinar will be conducted via the Cisco Webex platform.

B. Joint Webinar - CEFLI Affiliate Member BrownWinick - Year in Review - Thursday, December 10.

CEFLI recently conducted a Joint Webinar with CEFLI Affiliate Member BrownWinick to examine the Year in Review for life insurance industry compliance and ethics professionals.

Maureen Henderson, Counsel with BrownWinick, moderated the session. She was joined by Megan Claypool, Chief Compliance Officer with Athene and Kelly Stokes, Chief Compliance Officer with Principal. The webinar explored the challenges faced by the industry in 2020 and it identified the challenges that may lie ahead in 2021. A copy of the presentation deck and webinar recording can be found [on this page](#).

C. CEFLI Regulatory Forum - Wednesday, January 27 - 2 PM EST/1 PM CST.

CEFLI will be conducting the next meeting of its Regulatory Forum on Wednesday, January 27 at 2 PM EST/1 PM CST. CEFLI's Regulatory Forum provides an opportunity to gain insights from regulators representing organizations such as the SEC, FINRA, NAIC, and various state insurance departments.

Meetings of CEFLI's Regulatory Forum are open to representatives of CEFLI Premier Partner companies.

Our meeting will provide an opportunity to gather insights from several state insurance department regulators who will share their perspectives on the compliance challenges that lie ahead in 2021.

**VI. Next Meeting.**

The next meeting of the Committee is scheduled to take place:

Thursday, February 11, 2021 - 2 PM EST/1 PM CST/12 Noon MST/11 AM PST

Other 2021 Committee meetings are scheduled to take place as follows:

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PST

Wednesday, December 8, 2021 - 2 PM EST/1 PM CST/12 Noon MST/11 AM PST

Please mark your calendar and plan to join us!

**VII. Other Business.**

There being no additional business, the meeting was adjourned.