

Agenda

CEFLI Compliance & Ethics Committee Meeting
Wednesday, March 10, 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 – February 11, 2021 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. Application of “Trusted Contact” Practices to Non-Securities Products.

Financial exploitation of seniors continues to present unique challenges for financial services organizations.

In February 2017, the SEC approved FINRA Rule 2165 (Financial Exploitation of Specified Adults) to permit firms to place temporary hold on disbursement of funds or securities from the accounts of customers where there may be a reasonable belief of financial exploitation.

At the same time, the SEC also approved amendments to FINRA Rule 4512 (Customer Account Information) to require firms to make reasonable efforts to obtain the name and contact information for a “trusted contact” for a customer’s account.

FINRA Rule 2165 in the amendments to FINRA Rule 4512 became effective February 5, 2018.

In an effort to deter financial exploitation of seniors, some life insurance companies have been applying the FINRA concept to make reasonable efforts to obtain the name and contact information for a “trusted contact” on non-securities accounts.

A question has been presented to determine the extent to which life insurance companies may be requesting the name and contact information for a “trusted contact” on non-securities accounts.

The Committee will be asked to discuss their practices with respect to making reasonable efforts to obtain the name and contact information for a “trusted contact” person for non-securities accounts.

C. Climate Change and Environmental, Social, and Governance (“ESG”)

On September 22, 2020, the New York Department of Financial Services (“DFS”) issued Insurance Circular Letter No. 15 regarding climate change and financial risks (see attachment). The Circular Letter advises insurers doing business in NY to begin considering the financial risks of climate change and incorporating such considerations into their governance frameworks, risk management processes, and business strategies. In particular, among other things, the DFS stated:

“At a high level, DFS expects all New York insurers to start integrating the consideration of the financial risks from climate change into their governance frameworks, risk management processes, and business strategies.”

DFS also states:

“In this process, each insurer should take a proportionate approach that reflects its exposure to the financial risks from climate change and the nature, scale, and complexity of its business.”

Accordingly, a question has been presented concerning whether and, to what extent, companies have taken steps to address NYDFS Circular Letter No. 15 and whether companies have taken any actions to address the newly developing area of Environmental, Social and Governance (“ESG”) due to other regulatory, shareholder or customer pressures.

The Committee will be asked to discuss whether their companies have undertaken any actions to develop or implement ESG strategies or

initiatives, whether based on DFS's directives or other business/regulatory reasons.

D. NAIC Suitability in Annuity Transactions Model Regulation Compliance.

1. General.

We have observed with interest several states adopting the revised version of the NAIC Suitability in Annuity Transactions Model Regulation over the past several weeks. (See, Reporting Item, Agenda A.)

As more states begin to adopt the revised Model Regulation, questions have arisen concerning steps companies may be taking to modify their current suitability related practices to accommodate the requirements of the revised Model Regulation.

Areas of review concerning the revised Model Regulation have focused on, among other matters, the following issues:

- Training;
- Conflicts of Interest; and
- Sales contests.

The Committee will be asked to discuss the extent to which their companies have modified their current suitability practices to accommodate the requirements of the revised NAIC Suitability in Annuity Transactions Model Regulation.

2. Sales Contests, Quotas, Bonuses and Non-Cash Compensation.

Section 6C(2)(h) of the revised NAIC Suitability in Annuity Transactions Model Regulation requires insurers to "... *eliminate sales contests, quotas, bonuses and non-cash compensation based on the sale of specific annuities within a limited period of time.*"

The NAIC is working on completing a Frequently Asked Questions ("FAQs") document to assist insurers to comply with the revised Model Regulation. In their FAQs, the NAIC states:

The requirements of Section 6C(2)(h) are not intended to prohibit general incentives regarding sales of an insurance company's products where there is no emphasis on a particular product. As the provision states, insurer business practices involving sales contests, quotas, bonuses and non-cash

compensation based on the sale of a specific annuity or annuities within a specified limited period of time are prohibited and should be identified and eliminated.

Some insurers are reading this guidance to permit bonuses and other incentives provided the bonus or other incentive is not limited to a specific product or to a specific time period.

The Committee will be asked to discuss how they interpret and apply the requirements of Section 6C(2)(h) of the revised Model Regulation to their business practices associated with providing general incentives such as bonuses and non-cash compensation.

- E. New DOL Fiduciary Rule - Prohibited Transaction Exemption 2020-02 - Effective - February 16, 2021.

The Committee has been monitoring activities associated with the effective date of the new DOL Fiduciary Rule ([Prohibited Transaction Exemption 2020-02, Improving Investment Advice for Workers & Retirees](#)) issued by the Department of Labor on September 18, 2020. The new DOL Fiduciary Rule became effective on February 16, 2021.

Many companies had prepared changes to their former policies and procedures in anticipation of implementation of the former DOL Fiduciary Rule that was vacated by the Fifth Circuit in June 2018. As a result, several companies have been well prepared to consider further modifications to previous policies and procedures to implement the requirements of the new DOL Fiduciary Rule.

(CEFLI recently added to the [Additional Resources](#) section of the CEFLI website three articles developed by CEFLI Affiliate Member Faegre Drinker regarding the new DOL Fiduciary Rule and its requirements.)

However, a question has been presented concerning the extent to which companies may have modified their previous policies and procedures to accommodate the requirements of the new DOL Fiduciary Rule.

The Committee will be asked to discuss the extent to which their companies have instituted new procedures or have modified existing procedures to comply with the requirements of the new DOL Fiduciary Rule.

F. Independent Marketing Organizations - Know Your Customer and Anti-Money Laundering Compliance Reviews.

Many life insurance companies distribute their products through independent marketing organizations (“IMOs”).

In some instances, life insurance companies will require their IMOs to undergo reviews to determine compliance with applicable Know Your Customer (“KYC”) and Anti-Money-Laundering (“AML”) requirements.

Several questions have been presented concerning company practices with respect to determining compliance by IMOs with KYC and AML requirements.

Questions include:

- *Does your company require its IMOs to undergo review by the life insurance company to determine the IMO’s compliance with KYC and AML requirements?*
- *If so, what are the elements of your IMO KYC and AML review procedures?*
- *Is a review using various technological tools or third-party monitoring programs a part of your KYC and AML review procedures for IMOs?*
- *If you do not currently have an IMO KYC and AML review program, are you planning to initiate such a program?*

The Committee will be asked to discuss their practices, if any, with respect to requiring IMOs to undergo KYC and AML compliance reviews.

G. Tools to Manage Regulatory Issues.

One the perennial challenges faced by all life insurance companies is establishing appropriate systems to manage, analyze and implement new regulatory issues related to the business of insurance.

Over the past several years, the Committee has examined the types of tools that may be helpful to life insurance companies to manage the high volume and complexity of regulatory issues that face our industry.

A member of the Committee is exploring a possible new technological platform to manage regulatory issues (including global and North American issues) and would be interested in comments from other life insurance companies concerning tools they have used to manage regulatory issues successfully.

The Committee will be asked to discuss the technological tools they may use to manage regulatory issues affecting their businesses.

IV. Reporting Items.

CEFLI Staff.

A. Revised NAIC Suitability in Annuity Transactions Model Regulation.

1. State Adoptions.

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

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, 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.

2. Michigan Training Requirement - Effective Date.

Michigan recently adopted the revised version of the Model Regulation. The Michigan legislation was signed into law on December 29, 2020 and is scheduled to become effective on June 29, 2021.

However, the provision of the amended law to address annuity training requirements indicated that producers must complete this training "... within six months after the effective date..." of the amended law which, for some, implied a compliance date of December 29, 2021.

These provisions created confusion among insurers as to the application of the training requirement relative to the effective date of the amended law.

CEFLI staff contacted Renée Campbell, the Director of Consumer Services at the Michigan Department of Insurance and Financial Services seeking to confirm the Department's position with respect to the application of the effective date pertaining to the amended law and its training requirements.

Ms. Campbell confirmed that, although the June 29, 2021 effective date applies to most provisions of the amended law, the training requirements under Section 4160 (7) are effective December 29, 2021.

B. 2021 SEC Examination Priorities.

The SEC's Division of Examinations (formerly known as the Office of Compliance Inspections and Examinations (OCIE) published its [Examination Priorities](#) for 2021. In 2021, the SEC will focus its Examination Priorities on a broad range of issues including:

- Regulation Best Interest and Form CRS;
- The Importance of Compliance;
- Cybersecurity;
- Fraud, Sales Practices and Conflicts;
- FinTech and Innovation; and
- RIA Compliance Programs.

C. Maryland Insurance Administration - Bulletin 21-08 - US Mail Delays.

The Maryland Insurance Administration recently issued [Bulletin 21-08](#), dated March 5, 2021. The Bulletin outlines the Maryland Insurance Administration's expectations with respect to the impact of delayed mail service on companies' timely receipt of premium payments from policyholders. The Maryland Insurance Administration will be reviewing cancellations and non-renewals in instances in which the delay may have been attributable to US Mail delays.

D. Advance Notification - Proposed Utah Senate Bill 79 - Proof of Delivery.

Proposed Utah Senate Bill 79 has not been enacted into law thus far but is anticipated to be passed within the remaining legislative session.

Senate Bill 79 contains a provision that pertains to Proof of Delivery as follows:

"Proof of delivery... may include a certified mail receipt or, for electronic delivery, a read receipt."

To the extent the legislation gets enacted in its current form, the Utah proof of delivery requirements pose several possible questions including:

- How does an insurer record a "read receipt" for electronic delivery of a policy?
- For those companies opting to use physical mail, will you be using certified mail or some other form of delivery confirmation?

- If Utah Senate Bill 79 is enacted, would you consider implementing these requirements solely for business in the state of Utah or would you implement these requirements across all jurisdictions?

CEFLI will continue to monitor developments pertaining to the possible enactment of Utah Senate Bill 79 and revisit these operational issues, as appropriate.

V. CEFLI Activities.

- A. Webinar – Leveraging Data Analytics - Joint Webinar: Compliance Systems Legal Group – Wednesday, March 17, 2021.

CEFLI will be conducting the next installment of its Educational Webinar Series with a session devoted to data analytics presented by CEFLI Affiliate Member organization Compliance Systems Legal Group. Evolving regulatory requirements and heightened regulatory scrutiny place greater demands on the use of data and analytics to serve as evidence of a company's commitment to an effective compliance and ethics program.

The webinar will review regulatory expectations regarding the use of data analytics so your company can be prepared to consider these implications for your compliance and ethics program.

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 – Ethics: Training the Next Generation of Compliance Leaders.

CEFLI recently conducted a webinar on the issue of Ethics: Training the Next Generation of Compliance Leaders. During the webinar, a panel of leading ethics professors discussed how colleges and universities are training the next generation of compliance leaders to address ethical decision-making in everyday business practices.

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

- C. 2021 CEFLI Summit Meeting - The State Insurance Regulatory Perspective - A Discussion of Marketplace Challenges - Tuesday, April 6, 2021.

CEFLI will be conducting its 2021 Summit Meeting to explore The State Insurance Regulatory Perspective - A Discussion of Marketplace Challenges on Tuesday, April 6, 2021 via Cisco Webex.

Our Summit Meeting will feature panels on selected subject matters comprised exclusively of representatives of state insurance departments. Subject matters to be reviewed will include:

- Examinations and Data Calls;
- Market Conduct Annual Statement (MCAS) issues;
- NAIC Suitability in Annuity Transactions Model Regulation; and
- Complaint Management.

The Summit Meeting will also include an opportunity for early registrants to submit questions prior to the event. CEFLI will moderate a panel of state insurance regulators for a rapid-fire Q&A discussion during the closing session of the Summit Meeting.

You may register to participate in the 2021 CEFLI Summit Meeting from [this page](#) on CEFLI's website. Registration is complimentary for CEFLI Members.

We hope you will be able to join us!

- D. Advertising Review Networking Forum.

CEFLI's Advertising Review Networking Forum will meet on Tuesday, April 13th. The Forum meets bimonthly to discuss current compliance challenges related to advertising review. Individuals interested in joining the Forum may contact Nancy Perez at NancyPerez@CEFLI.org.

VI. Next Meeting.

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

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

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

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
February 11, 2021**

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

The following CEFLI member company representatives participated in the meeting:

Tony Poole, AAA Life Insurance Company
Megan Knapp, American Enterprise Group
Dave Milligan, American Equity Investment Life Insurance Company
Bill Turner, American Fidelity Assurance Company
Jason Broussard, American National Life Insurance Company
Suzanne Grillo, Amica Life Insurance Company
Chris Lamendola, Amica Life Insurance Company
Laurie Lewis, Amica Life Insurance Company
Jill Fiddler, Assurity Life Insurance
Allison Wallace, Athene
Christine Williams, Boston Mutual
Steve Corbly, The Cincinnati Life Insurance Company
Paula Gentry, The Cincinnati Life Insurance Company
Larry Welch, Citizens, Inc.
Alberta Roberts, CNO Financial Group
Nancy Sweet, CNO Financial Group
Megan Duckett, CUNA Mutual Group
Kari Hamrick, CUNA Mutual Group
Heather Schumann, CUNA Mutual Group
Kim Voss, CUNA Mutual Group
De Keimach, Delaware Life Insurance Company
Jamie Waters, EquiTrust Life Insurance Company
Matthew Chisholm, Erie Insurance Group
Laura Bullard, Foresters Financial
Kyle Galecki, Guggenheim Life and Annuity Company
Heather Russo, Illinois Mutual Life Insurance Company
Sakina Sharp, Kemper
Monica Sole, Lincoln Heritage Life Insurance Company
Sally Roudebush, Lincoln Heritage Life Insurance Company
Donna Brown, Lombard International

Minutes – CEFLI Compliance & Ethics Committee Meeting

February 11, 2021

Page 2 of 9

Valarie Murray, Lombard International
Michelle Ross, Lombard International
Alison Soderberg, Lombard International
Ellen Reynolds, Modern Woodmen of America
Jerie Olson, National Guardian Life Insurance Company
Jeremy Brierley, The Ohio National Life Insurance Company
Kristen Kirkwood, The Ohio National Life Insurance Company
Lauren Barbaruolo, Oxford Life Insurance Company
Lisa Hankins, Pacific Guardian Life Insurance Company, Ltd
Monique Pascual, Pacific Guardian Life Insurance Company, Ltd
Andrea Horrobin, Pacific Life Insurance Company
Matt Missik, Pacific Life Insurance Company
Rania Sarkis, Pacific Life Insurance Company
Anita Li, The Penn Mutual Life Insurance Company
Ann Marie Mason, The Penn Mutual Life Insurance Company
Vickie Bulger, Primerica Life Insurance Company
Belinda Howard, Principal
Megan Phillips, Principal
George Cash, Protective Life Insurance Company
Kevin Sullivan, Protective Life Insurance Company
Michelle Holmes, Resolution Life US
Kathy Wiggins, Resolutions Life US
Mark Lasswell, RiverSource Life Insurance Company
Ryan Meehan, RiverSource Life Insurance Company
Jim Golembiewski, Sagicor Life Insurance Company
Patrick Garcy, Sagicor Life Insurance Company
Calvin Kwan, Sagicor Life Insurance Company
Dan Leblanc, The Savings Bank Mutual Life Insurance Company of Massachusetts
Deb Cooper, Securian Financial
Devin Smith, Securian Financial
Lisa Holland, State Farm Life Insurance Company
Rachel Gomez, State Farm Life Insurance Company
Sandy Ray, Symetra Life Insurance Company
Krystal Jones, Texas Life Insurance Company
Jessica English, Thrivent
Wayne Smiley, TIAA
Kate Blalock, Western & Southern Financial Group
Amy Brech, Western & Southern Financial Group
Leslie Green, Western & Southern Financial Group
Robert Hopkins, Western & Southern Financial Group
Hannah Krone, Western & Southern Financial Group
Stephanie Muhlenkamp, Western & Southern Financial Group
Tony Paolucci, Western & Southern Financial Group
Molly Swami, Western & Southern Financial Group
Carol Wanstrath, Western & Southern Financial Group

Steffanie Buckley, 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 – January 13, 2021.

On motion, duly made and seconded and unanimously carried, the Committee: RESOLVED, that, the Minutes of the January 13, 2021 meeting are hereby approved.

III. Issues for Review.

The Committee

A. Coronavirus (COVID-19).

The Committee was asked to discuss any COVID-19 compliance-related issues, updates regarding return-to-work strategies, and any plans to resume normal business travel in 2021.

Members of the Committee indicated they continue to have only limited staff working from the office. Regarding current return-to-work strategies, while most Committee members indicated their plans are on hold until late summer or early fall, some Committee members indicated they plan to have limited staff return to the office sooner. Committee members also indicated the work environment may be forever changed, given staff preferences for permanent telecommute options.

With respect to travel policies, several Committee members indicated that company travel budgets were significantly reduced for 2021 in the wake of the pandemic and that they are unlikely to resume normal travel activities during 2021.

Committee members also commented on facilities enhancements such as staggered work schedules (to allow for social distancing) and improvements to HVAC systems.

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. Committee Members were asked to share their practices related to the handling of policyowner requests to surrender a policy or contract.

Committee members indicated they do not ask the policyowner to provide the reason for a full or partial policy or contract surrender. One Committee member noted their company informs the current servicing producer when a surrender is requested. Another Committee member shared their desire to potentially add a field (write-in or multiple-choice options) to capture the surrender reason as a means of identifying potential sales practices or anti-money laundering concerns.

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

Life insurance companies institute a variety of complaint handling processes for the management of complaints received from consumers, state insurance departments (DOIs), and other regulatory authorities.

Committee Members were asked to discuss their company's practices with respect to handling of complaints.

The discussion revealed a variety of methods insurers utilize to manage their complaint processes. While some companies rely on the same process for all complaints, other companies utilize different processes based on the origin of the complaint (i.e., regulatory, consumer, etc.). Generally, regulatory complaints are more likely to result in additional layers of company review or to involve Compliance management or legal oversight. In all cases, Committee Members indicated that complaint processors were authorized to escalate unique or challenging complaints to a Compliance manager or counsel.

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 capability in areas such as anti-money laundering, cybersecurity, and other risk control practices.

Committee Members were asked to discuss their practices with respect to receiving and responding to due diligence questionnaires received by their companies and, specifically, whether any centralized processes are utilized.

The Committee discussion revealed that a variety of approaches are utilized, including response preparation within the Legal department, the tracking of such requests in a specific database, the distribution of questionnaires to subject matter experts within the company (for response content), and, in one case, obtaining a nondisclosure agreement from the requestor before information responsive to the questionnaire is released to the requestor.

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 was presented concerning whether life insurance companies with 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. Committee Members were asked to share their experience in this area.

One Committee Member indicated their company managed three state securities department examinations in 2020 but that, to date, it has not received any examinations notices in 2021. Another Committee Member shared that they have not seen an increase in such activity within the last year.

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).

Ohio 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, North Dakota, and Virginia.

While Committee Members were asked to discuss any new developments in this area, no comments were offered.

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.

During the Committee discussion it was noted that while the rule is currently under review by the Biden administration, in absence of the rule subsequently being placed on hold, the requirements become effective on February 16, 2021.

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.

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 9th. The Forum meets bimonthly to discuss current compliance challenges related to advertising review. The next meeting of the Forum is scheduled for Tuesday, April 13th. Individuals interested in joining the Forum may contact 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 EST/1 PM CST/12 Noon MST/11 AM 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.