

OXFORD[®]
LIFE INSURANCE COMPANY

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Producer Update Bulletin

DOL Fiduciary Rule Implications

You are receiving this notice because you are contracted with Oxford Life Insurance to sell annuity and/or life insurance products. As you may be aware, some components of the Department of Labor's new Fiduciary Rule are effective beginning June 9, 2017. Please see the outline below of Oxford Life's understanding of your duties and obligations under this Rule.

From June 10 to December 31, 2017, the expanded definition of a fiduciary is in effect for all transactions involving deposits to or withdrawals from an IRA, ERISA Plan or 401K Plan. In order to receive a commission on a new sale or additional purchase for an existing client, agents must rely on one of the following exemptions:

- Prohibited Transaction Exemption 84-24 (PTE 84-24): All agents may use this exemption for all types of annuity business.
- Best Interest Contract Exemption (BICE): Agents who have a **supervising financial institution** can use this exemption for all annuity business.

Beginning January 1, 2018, full compliance with this Rule is required. Agents must rely on the BICE for commissions received from fixed-indexed annuity transactions. Agents may rely on PTE 84-24 or the BICE for commission received from fixed annuity transactions.

Using the Exemptions

To rely on the PTE 84-24 during Transition Period (June 10 – December 31, 2017) agents must:

- Adhere to **impartial conduct standards**, which requires agents to (1) act in their client's best interest, (2) avoid material misrepresentations, and (3) charge no more than "reasonable" compensation for transactions;
- Provide a **written disclosure** complying with the pre-amendment requirements of PTE 84-24; and
- Obtain a **written acknowledgement** of the disclosure statement and approval of the transaction from the client.

A sample PTE 84-24 disclosure form is provided below. You are not required to use this version in your business with Oxford Life, but you are responsible for complying with the disclosure requirement. The disclosure form does not need to be returned to Oxford Life but is meant to be retained in your client file.

To rely on the BICE during Transition Period (June 10 – December 31, 2017) agents must:

- Be supervised by a financial institution and

- Comply with the policies and procedures established by the supervising financial institution to implement the **impartial conduct standards**.

Oxford Life will have no additional requirements to you under the BICE.

Oxford Life's acceptance of business under the Rule

From June 10 to December 31, 2017, Oxford Life will continue to accept annuity business (both fixed and indexed) and life insurance from agents in compliance with PTE 84-24 or BICE (under the supervision of a financial institution). During this period, Oxford Life will require agents to complete an **Agent Attestation**, attached below, for all annuity and life insurance applications that involve funds from a qualified account. Any application received without the executed **Agent Attestation** will be considered not-in-good-order and will not be processed until Oxford Life receives the executed **Agent Attestation**.

Other

Oxford Life will continue to monitor the implementation of the Fiduciary Rule in the coming months and will update you on additional forthcoming changes and policies as they become relevant.

At this time, there will be no additional changes to business processes aside from the exemptions described above. There will be no additions to or changes in suitability reviews.

As you are aware, Oxford Life requires you to maintain Errors and Omissions (E&O) insurance. Given the specialized nature of this Rule, it would be advisable for you to verify with your E&O carrier that you will not require additional coverage pursuant to this Rule.

There will not be any new training requirements related to this Rule. Oxford Life, however, does strongly recommend that all agents complete training on this Rule. Oxford Life recommends LIMRA's Fiduciary Education for Sales & Service Professionals Program.

At this time, Oxford Life is not making any changes to existing products pursuant to the Rule.

You may receive a DOL Fiduciary Rule Amendment to your Producer Agreement with Oxford Life, which can be accessed below. No action is required with this amendment. This amendment applies when the rule takes effect. There will be no changes to the contracting process.

[Download PDF](#)

[Agent Attestation](#)

*Required for Qualified Transactions

Producer Agreement

PTE 84-24 Disclosure

We appreciate your business and remain committed to helping you meet the retirement planning needs of your clients. Thank you.