

Producer Training

Protective is providing the following information in order to inform you of your obligations regarding producer training and to inform you about Protective's products.

Protective's producer training requirements are listed below. The information includes which courses are required, where the courses are made available, and when they need to be completed.

Please Note: Producers are not permitted to offer or sell life insurance and annuity products unless Protective's training requirements and instructions have been satisfied.

Producers shall abide by Protective's processes (as described and attested to in the producer contract) and all applicable local, state and federal laws and regulations regarding applicable training when conducting business for Protective Life Insurance Company or Protective Life and Annuity Insurance Company.

Product Training Requirements

Producer shall not solicit business for any Protective product without adequate knowledge of product features, including how the product works, advantages and disadvantages of the product, and requirements for recommending a product based on client-specific needs and objectives.

1. The Producer must complete product-specific training for any Protective annuity product prior to soliciting business. Producers must not discuss a specific product or complete an application with a consumer prior to completing the appropriate training.

Training can be completed online through various training platforms. The primary platforms (and associated instructions) are listed below:

- a. **Quest CE Annuity & Product-Specific Training** <https://learn.questce.com/naicsuitability>

After logging in, select your Broker Dealer account name and choose Protective as one of your carriers. Independent agents choose Independent/Unaffiliated from the dropdown box on Quest CE. First time visitors will see training available for all products offered through your broker dealer. If you don't see the product of interest, click "Add Product Specific" in the left menu. Choose from the following course codes:

- Protective Asset Builder Indexed Annuity: FIAPAB
- Protective Asset Builder II Indexed Annuity: FIAPAB2 (not yet launched)
- Protective Estate Builder Single Premium Whole Life: PSEMNY
- Protective Guaranteed Income Annuity: FIAPGI
- Protective Income Builder Indexed Annuity: FIAPIB
- Protective Income Creator Annuity: FAPIC
- Protective Indexed Annuity II: FIA2M
- Protective Indexed Annuity NY: FIANY
- Protective Investors Benefit Advisory Variable Annuity: VAIB
- Protective Investors Series Variable Annuity: INVS
- Protective Market Defender II Annuity: PMDA2
- Protective ProPayer Income Immediate Annuity: PROSPIA

- Protective SecureSaver Fixed Annuity: PSS
- Protective Series Balance Annuity: PSBA
- Protective Series Foundation Annuity: PSFA
- Protective Series Balance & Foundation Annuities: PSSUITE
- Protective Smart Saver NY: SSNY
- Protective Variable Annuity B Series II: B815
- Schwab Genesis and Schwab Genesis Advisory Variable Annuity: VASG

b. **RegEd Annuity Training Platform** <https://secure.reged.com/TrainingPlatform>

To add applicable product training courses, click “Enter Product Code” in left menu bar and enter the code that corresponds to the product of interest:

- Protective Asset Builder Indexed Annuity: FIAPAB
- Protective Asset Builder II Indexed Annuity: FIAPAB2 (not yet launched)
- Protective Estate Builder Single Premium Whole Life: PSEMNY
- Protective Guaranteed Income Annuity: FIAPGI
- Protective Income Builder Indexed Annuity: FIAPIB
- Protective Income Creator Annuity: FAPIC
- Protective Indexed Annuity II: FIA2M
- Protective Indexed Annuity NY: FIANY
- Protective Investors Benefit Advisory Variable Annuity: VAIB
- Protective Investors Series Variable Annuity: INVS
- Protective Market Defender II Annuity: PMDA2
- Protective ProPayer Income Immediate Annuity: PROSPIA
- Protective SecureSaver Fixed Annuity: PSS
- Protective Series Balance Annuity: PSBA
- Protective Series Foundation Annuity: PSFA
- Protective Series Balance & Foundation Annuities: PSSUITE
- Protective Smart Saver NY: SSNY
- Protective Variable Annuity B Series II: B815
- Schwab Genesis and Schwab Genesis Advisory Variable Annuity: VASG

2. Producer’s completion records are transmitted to Protective from vendor systems. However, you are required to maintain your own records demonstrating your compliance with these product-specific training courses.

Suitability & Best Interest Training Requirements

1. Protective expects each producer selling its products to determine whether the recommended annuity transaction is appropriate for the client. To help you do this, we’ve incorporated suitability and best interest information into our product training courses. In addition, many states have adopted their own annuity suitability and best interest training requirements. All producers must

complete Protective’s suitability training, which is included in all our product-specific training courses. Completion of product training courses outlined under “Product Training Requirements” and transmittal of product training completion records certify that the producer has met the suitability training requirements. Through this training, the producer will gain knowledge of the following:

- a. Overview of Protective’s suitability and best interest requirements
- b. Activities required to comply with Protective’s suitability and best interest process
- c. Gathering consumer profile information about the applicant. A reasonable effort should be made to obtain the following information in order to make a suitable recommendation:
 - i. Age;
 - ii. Annual income;
 - iii. Financial situation and needs, including debts and obligations;
 - iv. Financial experience;
 - v. Insurance needs;
 - vi. Financial objectives;
 - vii. Intended use of the annuity;
 - viii. Financial time horizon;
 - ix. Existing assets or financial products, including investments, annuities and insurance holdings;
 - x. Liquidity needs;
 - xi. Liquid net worth;
 - xii. Risk tolerance, including but not limited to willingness to accept non-guaranteed elements in the annuity;
 - xiii. Financial resources used to fund the annuity; and
 - xiv. Tax status

State Variations may apply. For example, New York requires the following additional items:

- i. Willingness to accept non-guaranteed elements in the policy/contract, and
- ii. Any other information provided by consumer relevant to transaction

Please Note: Some states require specific information about the applicant, in addition to the information listed above.

- d. Various features of annuities, both favorable and unfavorable
- e. Unfavorable features of annuities that could impact client suitability
- f. How to analyze the client’s information and make a recommendation that is suitable
- g. Actions required when client refuses to disclose suitability information

- h. Activities a producer should avoid
- 2. Most states require producers to complete the 4-hour state-specific Annuity Suitability course approved by state insurance department(s) in which the producer is licensed. This training can be completed through a state approved training vendor.
 - a. The Annuity Suitability course covers:
 - i. the types of annuities and various classifications of annuities;
 - ii. identification of the parties to an annuity;
 - iii. how fixed, variable, and indexed annuity contract provisions affect consumers;
 - iv. the application of income taxation of qualified and nonqualified annuities;
 - v. the primary uses of annuities;
 - vi. appropriate and lawful sales practices, replacement, and disclosure requirements, and suitability information and whether an annuity is suitable for a consumer; and
 - vii. the recognition of indicators that a prospective insured may lack the short-term memory or judgment to knowingly purchase an insurance product.
 - b. Guidelines for producers licensed in states adopting the new 2020 model regulation:
 - i. Within 6 months of the effective date of the amended regulation, producers who previously completed the 4-hour state training course must complete either:
 - 1. An additional one-time, 1-credit approved training course on appropriate sales practices, replacement and disclosure requirements under the amended regulation; or
 - 2. A new 4-credit training course approved by the applicable state department of insurance.
 - c. Upon successful completion of state-specific training, the producer should submit the certificates of completion via email to: plbcontracting@protective.com

Continuing Education (CE) Requirements

- 1. State Insurance CE
 - a. Most states require insurance producers to fulfill a certain minimum number of hours of continuing education, annually. Non-compliance with a state's continuing education requirement may result in a suspension or lapsing of a producer's insurance license.
 - b. Continuing Education credits can be earned through any approved CE provider and are reported to the state(s) in which producer is licensed. Protective does not monitor or track state insurance CE but validates status of a producer's insurance license.
- 2. FINRA Securities CE

- c. FINRA administers the continuing education program for the securities industry. Continuing education consists of two mandatory programs:
 - i. Regulatory Element: focuses on compliance, regulatory, ethical and sales practice standards. Its content is derived from industry rules and regulations, and accepted standards and practices in the industry. Participants must demonstrate proficiency in order to satisfy the CE requirements. The Regulatory Element requires all registered individuals to complete a computer-based training session within 120 days of the second anniversary of their initial registration date, and every three years thereafter.
 - ii. Firm Element: requires broker-dealers to establish a formal training program to keep covered registered persons up to date on job- and product-related subjects. In planning, developing and implementing the Firm Element, each broker-dealer must consider its size, structure, scope of business and regulatory concerns. Each broker-dealer must administer its Firm Element Continuing Education Program in accordance with its annual Needs Analysis and Written Training Plan, and maintain records documenting the content and completion of the program.

Compliance and Regulatory Training Requirements

Protective strives to provide the most timely and comprehensive compliance training resources available. While the best source for state specific regulatory requirements remains state departments of insurance, we are ready to assist producers with specific compliance issues as they relate to Protective products and business practices.

1. Anti-Money Laundering (AML) Training: Producers can complete this training through an approved training vendor and must submit a certificate of completion via email to: plbcontracting@protective.com. Although it varies by state, producers must periodically recertify in order to sell and service Protective products.
2. State-specific regulatory training: it is the producer's responsibility to understand regulatory training requirements for the state(s) in which they are licensed. For example, in New York, producers must complete a Regulation 187 training course through one of Protective's approved vendors in addition to completing Protective's product and suitability training.

Additional Learning Opportunities

In addition to the required training outlined in this document, Protective strives to provide continuous learning opportunities for producers.

1. Marketing materials: marketing and seminar materials available on our Producer web site, www.myprotective.com, that provide detailed information about our products.
2. Wholesaler-provided training: Account Development Managers, Regional Directors, and National Account Managers routinely provide supplemental training to help producers and broker dealers to better understand our products and appropriate/suitable application of our products.

Training Updates



1. Protective may periodically make changes to an existing product that require the producer to complete the product-specific training course again. In this situation, the course will be updated with a new course code and title to enable validation that it has been completed. Protective will also inform its distribution firms about changes to existing products that require retraining.
2. Review of Training Materials: all training materials undergo our Compliance Review process every 18 months. Training courses are updated, as applicable.