CRITICAL ALERT

DFS Issues Informal Guidance on Producer 90-Day Deferral Notice Requirement - Clears up Misinformation Put Out to Producers

BOTTOM LINE: PRODUCERS STILL MUST NOTIFY CLIENTS, BUT DO NOT NEED TO USE PHYSICAL MAIL

Over the past several days, you may have heard the that the Department completely eliminated the producer notice requirement: THIS IS NOT CORRECT

While the Department issued initial guidance over a week ago, which allowed e-mail notice by producers, the DFS did not change the regulation’s requirement for notice by mail. In fact, that provision remains in the regulation.

NAIFA-NYS staff actively advocated to the Governor’s office and DFS at all levels to request an easing of both the 10-day period as well as the physical mail requirement. Today, the DFS told us directly that producers no longer need to send notices via physical mail. It appears that the DFS did hear NAIFA-NYS and the larger producer community’s pleas to ease the burden on producers.

The only notice that a producer now must send is an electronic notice to the clients for which the producer has an e-mail address. Producers must keep records of the electronic notices they send.

PRODUCERS ALSO MUST CONTINUE TO POST INFORMATION ABOUT THE REGULATION ON THEIR WEB SITES AND SOCIAL MEDIA OUTLETS

DFS has released a model notice—available HERE—that producers can use.

NAIFA-NYS thanks the DFS for listening to the feedback from life insurance producers and issuing guidance designed to ease the burden of the regulation on them during this pandemic.