



# Thursday TIP


## RegBI and Duty of Care Best Practices


Last week we reiterated the need to document considerations which are defined as ‘anything that you as the financial professional thought about when evaluating what to present to the client’, through a compliance lens. This week we are going to cover some best practices on the same topic

When it comes to RegBI reviews, regulators want to feel like they were there. We have heard FINRA panelists at conferences before say, “If you didn’t write it down, it didn’t happen.”

 If you are doing a rollover, the RightBridge tool will help provide the documentation of other considerations. It will provide comparison of product types within the Profiler and you can include specific products within the Annuity or Investment Wizards.

 For those who have been with us since the NPC days you will remember we used to have a requirement to provide Morningstar side-by-side annuity comparisons. When exchanging annuities it had to include the current product and the recommended, and in some cases two share classes of the recommended annuity. You do have access to that same tool currently. Call us if you need a tutorial.

 The approved product page for Alternative Investments is ever changing. Some of you may remember when a previously approved REIT was removed because during ongoing review it ceased to meet the requirements for approval. Knowing in the future what was available for consideration may be easily documented by just printing the current approved list of Alternative Investments (REITs, BDCs, etc.) and noting which ones you considered.

 The current Equity Index Annuities Approved Product list can be printed on one page so you could use the same method to memorialize what other EIAs you considered if client is purchasing an EIA.

The days of less is more are gone. Since most of us aren’t blessed with superior autobiographical memory like Marilu Henner, we will need notes to refer to in the future to remind us why we chose to do something today. Don’t ever paint yourself in a corner by indicating you considered something that you aren’t familiar with. If a regulator reviews your transaction and asks you why you selected product A over product B, you have to be able to identify why Product B wasn’t appropriate just as effectively as you explain why product A was the right choice.