

Variable Products & Retirement Planning

Friday, October 21, 2022

11:00 a.m. - 12:00 p.m.

Join FINRA staff and industry practitioners as they discuss variable and retirement planning productions. The panelists also explore frequently asked questions and discuss regulatory challenges.

Moderator: Steven Choi
Associate Director
FINRA Advertising Regulation

Panelists: Richard Choi
Shareholder
Carlton Fields Jorden Burt, P.A.

Ted Newton
Communications with the Public Lead, Compliance & Ethics Department
MML Investors Services, LLC

Pramit Das
Director
FINRA Advertising Regulation

Variable Products & Retirement Planning Panelist Bios:

Moderator:



Steven Choi is Associate Director in FINRA's Advertising Regulation Department. Mr. Choi's primary responsibility is managing staff members dedicated to the routine review of member firm communications. Prior to joining FINRA/NASD in 2006, he worked in the Private Client Management Group at Legg Mason, and as a Financial Advisor in the Global Private Client Group at Merrill Lynch. Mr. Choi holds a Bachelor's degree in Art History from Williams College.

Panelists:



Richard Choi has extensive experience advising investment companies, investment advisers, broker-dealers, and life insurance companies on federal and state securities and insurance compliance and regulatory matters. Mr. Choi's experience includes advising investment company boards, independent directors and trustees, and special committees of directors and trustees. He counsels clients on the development and distribution of sophisticated financial products, such as variable annuities, variable life insurance, and face-amount certificates. His experience also includes representation of investment advisers and investment companies in regulatory compliance inspections and examinations, opinions on the availability of 1940 Act exemptions in connection with various types of transactions, and in-house training and education seminars on a variety of regulatory and compliance matters. He has published numerous articles and regularly speaks on federal securities issues relating to variable insurance products and mutual funds. He has appeared on Bloomberg TV and has been quoted in *Bloomberg*, the *Chicago Tribune*, the *Los Angeles Times*, *National Underwriter*, *U.S. Banker*, the *Wall Street Journal Online*, and other financial and trade publications. Mr. Choi is the securities and investment companies industry group co-leader. Mr. Choi earned a B.A. from the University of Chicago and a J.D. from the University of Virginia School of Law.



Ted Newton is Communications with the Public Compliance Lead in MassMutual's Compliance & Ethics department. In his nearly 40-year career in the financial services industry, Mr. Newton has been an agent, a wholesaler, a regulator and a home office compliance officer. At MassMutual, his responsibilities include reviewing advertising for the company's direct-to-consumer and other customer experience efforts; refining advertising review procedures to increase efficiency and consistency; and serving as industry and regulatory liaison on advertising compliance-related matters. Previously, he managed training and communications for MassMutual field and home office personnel about compliance and supervision requirements, and inspections of agencies to review their supervision and compliance policies. Prior to joining MassMutual in January 1998, Mr. Newton was a supervisor in the NASD's Advertising Regulation Department, where he supervised a team of analysts who reviewed sales materials submitted by NASD member firms. Mr. Newton graduated from Duke University in 1984 with a double major in Political Science and Psychology and got his start in the industry that year with Travelers Insurance Company and its affiliated broker/dealer.



Pramit Das is Director in FINRA's Advertising Regulation Department. In this role, his responsibilities include managing the Department's filings review program, operations, administration, and proprietary technology systems. He also provides education to members, FINRA staff and other regulatory staff and, participates in rule amendment and rulemaking projects as necessary. Prior to joining FINRA (fka NASD) in 1994, Mr. Das worked for Metropolitan Life Insurance Company and Arthur Andersen & Co. He holds an MBA in Finance from the University of Maryland, College Park, and an MA in Financial Economics from Clemson University, Clemson, South Carolina. He was also Series 7 and 63 registered.

2022 FINRA Advertising Regulation Conference
October 20-21, 2022 | Washington, DC | Hybrid Event

Variable Products & Retirement Planning

Panelists

- **Moderator**

- Steven Choi, Associate Director, FINRA Advertising Regulation

- **Panelists**

- Richard Choi, Shareholder, Carlton Fields Jordan Burt, P.A.
- Ted Newton, Communications with the Public Lead, Compliance & Ethics Department, MML Investors Services, LLC
- Pramit Das, Director, FINRA Advertising Regulation

Variable Product Communications

○ Rules

- FINRA Rule 2210 (Communications with the Public)
- FINRA Rule 2211 (Communications with the Public About Variable Life Insurance and Variable Annuities)
- FINRA Rule 2212 (Use of Investment Companies Rankings in Retail Communications)
- SEC Rule 482
- SEC Rule 34b-1
- SEC Rule 135a

Compliant Variable Product Communications

- Identify the product
- Provide a sound basis to evaluate the product
- Risks, fees, tax issues, liabilities
- Riders
- Limitations on guarantees
- VLIs must balance discussion of investment features with discussion of insurance features
- Long-term nature of VAs

Compliant Variable Product Communications

- Performance
 - Variable Annuities
 - Variable Life Insurance
- Hypothetical Illustrations

Complex On-Going Issues

- Registered Index-Linked Annuities (RILAs)
- Social Media
- Complex/Novel Investment Options
 - ESG
- 2022 Report on FINRA's Examination and Risk Monitoring Program
 - Annuity Exchange Exam Findings
 - Annuity Exchange Best Practices



Variable Products & Retirement Planning

Friday, October 21, 2022

11:00 a.m. - 12:00 p.m.

Resources

- FINRA Rule 2210: Communications with the Public
<https://www.finra.org/rules-guidance/rulebooks/finra-rules/2210>
- FINRA Rule 2211: Communications with the Public About Variable Life Insurance and Variable Annuities
<https://www.finra.org/rules-guidance/rulebooks/finra-rules/2211>
- FINRA Rule 2212: Use of Investment Companies Rankings in Retail Communications
<https://www.finra.org/rules-guidance/rulebooks/finra-rules/2212#:~:text=Members%20may%20not%20use%20investment,measurements%20of%20a%20Ranking%20Entity.>
- SEC Rule 482
<https://www.sec.gov/rules/final/33-8294.htm>
- SEC Rule 34b-1
<https://www.sec.gov/rules/final/33-8294.htm>
- SEC Rule 135a
<https://www.sec.gov/corpfin/securities-act-rules>
- 2022 Report on FINRA's Examination and Risk Monitoring Program
<https://www.finra.org/rules-guidance/guidance/reports/2022-finras-examination-and-risk-monitoring-program>