

Regulation Best Interest New Business & Subsequent Transactions

REFERENCE SHEET

Regulation Best Interest (Reg BI) raises the standard of care that broker dealers and registered representatives (reps) owe to their retail customers when recommending any securities or investment strategies involving securities. This regulation enhances the broker dealer standard of conduct beyond the previous suitability obligations.

This document details when reps must provide the Form Customer Relationship Summary (CRS), Reg BI Disclosure Brochure, Capacity Supplement to the Reg BI Disclosure, RightBRIDGE Product Profiler report, Product Profiler Documentation Form, Transaction Detail Form (TDF), and Corporate Registered Investment Adviser (CRIA) Asset Transition (CAT) Form. It also highlights delivery/use requirements for certain additional forms (e.g., applications, forms, client file notes) and provides some examples of what registration types require and do not require a RightBRIDGE Product Profiler report.

Regulation Best Interest Transactions Overview

There are two disclosure obligations as part of the Regulation Best Interest rule – Form CRS and the Reg BI Disclosure Brochure.

- **Form CRS:** Reps must deliver this form to each retail¹ investor (both broker dealer and investment advisory) prior to or at the time a recommendation is made.
 - **For new retail¹ investors,** this means that reps must provide Form CRS at the earliest of recommending an account type, a securities transaction, an investment strategy involving securities, placing an order, or opening a new account for an existing client.
 - **For new accounts for existing clients or subsequent transactions in existing accounts,** reps must provide Form CRS again to broker dealer or investment advisory retail¹ investors prior to opening a different or additional account, recommending a rollover into a new or existing account, or recommending or providing new broker dealer or investment advisory service. Form CRS is required even if the transaction does not necessarily involve opening a new account with the firm (e.g., a direct mutual fund or variable annuity or referral program). If provided with other material, reps must provide the Form CRS first in the package of documents. Reps must also record the date each time the Form CRS was delivered.
- **Reg BI Disclosure Brochure:** Reps must provide this brochure to retail¹ customers prior to or at the time of a recommendation. The Reg BI Disclosure Brochure is only provided in connection with broker dealer services. It is **not** required for investment advisory (CRIA) services.
 - **Capacity Disclosure Supplement to Reg BI Disclosure Brochure,** broker dealers and reps must disclose the capacity in which they are acting when making recommendations. While the Reg BI Disclosure Brochure addresses the capacity

For Broker Dealer Training Use Only. Not for Use with the Public.

© 2022 Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111-0001.

All rights reserved. www.massmutual.com.

OPER204r2_41

Rev. 02/28/2022

New Business & Subsequent Transactions

disclosure for those reps who are both affiliated with MMLIS Investors Services (MMLIS) CRIA (e.g., a series 65) and general securities representative (e.g., series 7), other reps will need to supplement the Reg BI Disclosure Brochure by delivering the appropriate Capacity Disclosure Supplement to their retail¹ clients. Provide the supplemental capacity disclosure once to each retail¹ customer unless there is subsequent change to the rep's capacity.

- o In addition, for all new business and some subsequent transactions, create a RightBRIDGE Product Profiler report and retain it in the client file. The RightBRIDGE Product Profiler analyzes a client's objectives, risk tolerance, desire for guarantee versus liquidity, time horizon, and other key factors based on the information provided by the customer and entered by the financial professional. The report it generates will help MMLIS financial professionals make account type and product recommendations that are in their clients' best interests. These reports also aid in documenting the recommendation. As part of the best interest review process, a principal will review if the rep has recommended a more costly or complex product than may be needed. Additionally, reps will need to document their client files the reasoning for why one product was chosen over other alternative products. For example, a rep documenting the specific customer needs versus the features of the recommended product.

For all new business, except as noted below, MMLIS requires the RightBRIDGE Product Profiler report and reps must retain it in the client file. In all cases for retail¹ clients, reps must record disclosure delivery dates in the client file, which are subject to review.

Note: The disclosures are located on the MMLIS and Regulation Best Interest FieldNet pages, the forms are also linked from RightBRIDGE.

The Reg BI Disclosure Delivery requirement is separate from RightBRIDGE usage. See the charts below for disclosure delivery requirements. When not using the RightBRIDGE Product Profiler report, document disclosure delivery in the client file.

NEW BUSINESS TRANSACTIONS REG BI DISCLOSURES AND FORMS

New Business Transactions ²	Form CRS	Reg BI Disclosure	Capacity Disclosure	RightBRIDGE Product Profiler Report	Rationale ³ for Yellow RightBRIDGE Transactions	TDF ⁴	CAT Form ⁴
All Advisory	Deliver to retail ¹ clients at or prior to recommendation	N/A	N/A	Retain in client file for review/ audit for all other new business	Complete rationale section of the CAT Form for review, if CAT Form is not required include rationale in client file	N/A	Required for new advisory accounts established/ funded from broker dealer business, rollovers from employer sponsored plans (ESP), or accounts funded from other MMLIS advisory products into an

New Business & Subsequent Transactions

New Business Transactions ²	Form CRS	Reg BI Disclosure	Capacity Disclosure	RightBRIDGE Product Profiler Report	Rationale ³ for Yellow RightBRIDGE Transactions	TDF ⁴	CAT Form ⁴
							advisory product (see chart details)
Brokerage ^{5, 6}	Deliver to retail ¹ clients at or prior to recommendation		To client at or prior to recommendation for non-IAR and series 6 only IAR	Retain in client file for review/audit for all other new business	Complete rationale section of the TDF for review, if TDF is not required include rationale in client file	Submit to MMLIS for review for employer sponsored plan rollovers, replacements, or if the source of funds is a VA	N/A
Direct	Deliver to retail ¹ clients at or prior to recommendation		To client at or prior to recommendation for non-IAR and series 6 only IAR	Retain in client file for review/audit for all other new business	Complete rationale section of the TDF for review	Submit to MMLIS for review	N/A
Financial Planning	Deliver to retail ¹ clients at or prior to recommendation	N/A	N/A	N/A	N/A	N/A	N/A
GVUL	Deliver to retail ¹ clients at or prior to recommendation		For non-IAR and series 6 only IAR, deliver to client at or prior to recommendation	N/A	N/A	N/A	N/A
Variable Annuity ^{7 (VA)}	Deliver to retail ¹ clients at or prior to recommendation		For non-IAR and series 6 only IAR, deliver to client at or prior to recommendation	Retain in client file for review/audit for all other new business	Complete rationale section of TDF for review	Submit to MMLIS for review	N/A
Variable Life (VL)	Deliver to retail ¹ clients at or prior to recommendation		For non-IAR and series 6 only IAR, deliver to client at or prior to recommendation	Retain in client file for review/audit for all other new business	Complete rationale section of TDF for review	Submit to MMLIS for review	N/A

New Business & Subsequent Transactions

SUBSEQUENT TRANSACTIONS REG BI DISCLOSURES AND FORMS

Subsequent Transactions ²	Form CRS	Reg BI Disclosure	Capacity Disclosure	RightBRIDGE Product Profiler Report ⁸	Rationale ³ for Yellow RightBRIDGE Transactions	TDF ^{4,8} (requires agency supervisor signature)	CAT Form ^{4,8}
Changes to Investments, Goal Modifications, Trading in NFS Accounts, etc.	N/A	N/A	N/A	N/A	Requires documentation of rationale for maintenance in client file	N/A	N/A
Rollovers/ Transfers for Employer Sponsored Plans into Existing Advisory Accounts	Deliver to client at or prior to recommendation	N/A	N/A	Required for client files and reviewed by agency supervisor then imaged by agency	Complete rationale section of the CAT Form for review, which is required for client files and reviewed by agency supervisor then imaged by agency	N/A	Required for client files and reviewed by agency supervisor for those not accompanied by TOA then imaged by agency (those with TOA are reviewed by MMLIS principal)
Rollovers/ Transfers for Employer Sponsored Plans into Existing VAs, Brokerage, and Direct Accounts	Deliver to client at or prior to recommendation	N/A	For non-IAR and series 6 only IAR, deliver to client at or prior to recommendation only if account was opened prior to regulation implementation	Required for client files, reviewed by agency supervisor then imaged by agency	Complete rationale section of the TDF for review, which is required for client files and reviewed by agency supervisor then imaged by agency	Required for non-advisory client files and signed by agency supervisor then imaged by agency	N/A
Subsequent Payments/ Deposits into Advisory, Brokerage, Direct, VA, VL Accounts (non-rollovers/ non-replacements)	N/A	N/A	N/A	N/A	Requires documentation of rationale for maintenance in client file	N/A	N/A

New Business & Subsequent Transactions

Subsequent Transactions ²	Form CRS	Reg BI Disclosure	Capacity Disclosure	RightBRIDGE Product Profiler Report ⁸	Rationale ³ for Yellow RightBRIDGE Transactions	TDF ^{4, 8} (requires agency supervisor signature)	CAT Form ^{4, 8}
Subsequent Replacement (non-rollover) Payments/ Deposits into Advisory Accounts	N/A	N/A	N/A	N/A	Complete rationale section of the CAT Form for review, which is required for client files and reviewed by agency supervisor then imaged by agency	N/A	Required for client files and reviewed by agency supervisor for those not accompanied by TOA then imaged by agency (those with TOA are reviewed by MMLIS principal)
Subsequent Replacement (non-rollover) Payments/ Deposits into Brokerage, Direct, VA, VL Accounts	N/A	N/A	N/A	N/A	Complete rationale section of the TDF for review, which is required for client files and reviewed by agency supervisor then imaged by agency	Required for client files and signed by agency supervisor then imaged by agency	N/A
VA Accounts – Spousal Continuation	Deliver to client at or prior to recommendation		For non-IAR and series 6 only IAR, deliver to client at or prior to recommendation	Maintain in client file	If yellow, document rationale and maintain in client file	N/A	N/A

REGISTRATION TYPE REQUIREMENTS FOR RIGHTBRIDGE PRODUCT PROFILER REPORTS

For all new business, except as noted below, MMLIS requires the RightBRIDGE Product Profiler report and reps must retain it in the client file. In all cases for retail¹ clients, reps must record disclosure delivery dates in the client file, which are subject to review.

Registration Types that Require RightBRIDGE Product Profiler Report	Registrations that Require Disclosure Delivery but Do Not Require RightBRIDGE Product Profiler Report
<ul style="list-style-type: none"> Individual account Joint account (one for each owner) Custodian (ABLE) account UGMA/UTMA account (custodian) Conservator account (owner) 	<ul style="list-style-type: none"> Liquidation only accounts for IRA, IRA BDA, IRA Rollover, NP IRA, and Roth IRA SEP IRA SIMPLE IRA Financial plans

For Broker Dealer Training Use Only. Not for Use with the Public.

New Business & Subsequent Transactions

Registration Types that Require RightBRIDGE Product Profiler Report	Registrations that Require Disclosure Delivery but Do Not Require RightBRIDGE Product Profiler Report
<ul style="list-style-type: none"> • Guardian account • IRA, IRA BDA, IRA Rollover, NP IRA Rollover, and Roth IRA • Solo K, individual K, and NP plan • Trust⁹ (with non-professional trustee(s) only) account • Referrals to MassMutual Trust Company • NP trust account 	<ul style="list-style-type: none"> • 457 or 403(b) accounts and other participant enrollments • Change of broker dealer • Account types that remain the same with in-kind transfers • Change of registration • Change of representative

SOME EXAMPLES OF CAT FORM REQUIREMENTS

Source of Funds	Type of New Account	CAT Form Required?
Broker dealer assets liquidated within the last 13 months or those subject to fee forgiveness	All MMLIS advisory programs	Yes
Rollover	All MMLIS advisory programs	Yes
Referral program	All MMLIS advisory programs	Yes
Cash from checking/savings account	All MMLIS advisory programs	No
Advisor Select account	Unified managed account (UMA)	No
ACAT or transfer from an advisory account with another firm	All MMLIS advisory programs	No

¹Retail customers do not include the following registration types: entity, estate, corporation, church, limited liability company (LLC), personal representative, Keogh, investment club, foundations, retirement plans at plan level or trusts with a professional trustee.

²MetLife Resources (MLR) SIMPLE IRA, 403(b), and 457 plans do not require disclosures, the RightBRIDGE Product Profiler report, or TDF/CAT form.

³For all other recommended transactions, if reps choose not to use the Product Profiler Documentation Form, they must follow the minimum requirement guidelines outlined in the [Reg BI Client File Documentation Reference Sheet](#).

⁴MMLIS allows electronic signature for both the TDF and the CAT via DocuSign/DidUSign.

New Business & Subsequent Transactions

⁵Adding margin or options approval, after the account is opened, does not require a new RightBRIDGE report; however, it does require Form CRS delivery and the Capacity Supplement to the Reg BI Disclosure for non-investment adviser representatives (IARs) and series 6-only IARs only if the account was opened prior to regulation implementation and was not previously delivered. Document the client file with the date of CRS delivery.

⁶If funds that are used to establish the NFS brokerage account are derived from the sale of UITs, mutual funds, 529 plans, or variable life insurance and UITs, mutual funds, or 529 plans are then purchased in the account, a TDF is required. Provide this at the time the account is established to new business (if known) or to the ASO if the decision to purchase the products are made after the account is established.

⁷The TDF is not required when VAOE is used to establish the account.

⁸For subsequent transactions that do not require a RightBRIDGE Product Profiler report, TDF, or CAT Form, follow the minimum requirement guidelines outlined in the [Reg BI Client File Documentation Reference Sheet](#).

⁹Reg BI does not apply and no RightBRIDGE report, Form CRS, Reg BI Disclosure Brochure, and Capacity Supplement to the Reg BI Disclosure are required if the trust is managed by a professional trustee (e.g., MassMutual Trust Company or BNY).