

PROJECT HISTORY - 2015

ADVERTISEMENTS OF LIFE INSURANCE AND ANNUITIES MODEL REGULATION (#570)

1. Description of the Project, Issues Addressed, etc.

The *Advertisements of Life Insurance and Annuities Model Regulation* (#570) was revised to clarify its application to contingent deferred annuities (CDAs) by:

Adding to Section 2. Definitions: Registered product means an annuity contract or life insurance policy subject to the prospectus delivery requirements of the Securities Act of 1933, with a drafting note stating that registered products include, but are not limited to, CDAs.

Adding a reference to “registered products” in Section 3. Applicability.

2. Name of Group Responsible for Drafting the Model and States Participating

The Contingent Deferred Annuity (A) Working Group of the Life Insurance and Annuities (A) Committee was responsible for drafting the revisions.

States Participating:

| | | | |
|-------------------|-------------|------------------------------|---------------|
| Ted Nickel, Chair | Wisconsin | Roger A. Sevigny/Keith Nyhan | New Hampshire |
| Robert Chester | Connecticut | | |
| | | | Utah |
| Bruce R. Ramge | Nebraska | | |

3. Project Authorized by What Charge and Date First Given to the Group

The project was authorized in 2012 by the following charge: Appoint a Contingent Deferred Annuity (A) Working Group to develop NAIC guidelines and/or model bulletin that can serve as a reference for states interested in modifying their annuity laws to clarify their applicability to contingent deferred annuities (CDAs) and, as part of

Financial Advisors (NAIFA); Birny Birnbaum (Center for Economic Justice—CEJ); and the American Academy of Actuaries (Academy).

5. A General Description of the Due Process (e.g., exposure periods, public hearings or any other means by which widespread input from industry, consumers and legislators was solicited)

The Contingent Deferred Annuity (A) Working Group met at each national meeting and held interim meetings and interim conference calls beginning in June 2012 until adopting the revisions at the 2014 Fall National Meeting.

6. A Discussion of the Significant Issues (items of some controversy raised during the due process and the group’s response)

There were concerns that using the term “CDAs” when revising the model would be too limiting and that subsequent model revisions would be necessary to address every innovation in the industry. The language adopted seeks to address this concern by using broader language and a drafting note to clarify that the terms are intended to include CDAs.

7. Any Other Important Information (e.g., amending an accreditation standard)

None