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SUSAN E. VOSS
COMMISSIONER OF INSURANCE

PATTY JUDGE
LT. GOVERNOR

BULLETIN 08-01

To: Life Companies Selling Annuities in Iowa

From: Iowa Insurance Commissioner Susan E. Voss

Date: February 4, 2008

RE: Announcement of the Annuity Disclosure Template Pilot Program for Fixed Annuities, Including Indexed Annuities, Sold in Iowa

Earlier this year, the Iowa Insurance Division received and extensively reviewed copies of proposed annuity disclosure templates from the American Council of Life Insurance (ACLI). The annuity products covered by the separate templates are fixed, indexed and variable annuities. The templates were developed by ACLI members with input from focus groups including consumer representatives.

The Iowa Insurance Division is of the opinion that the fixed, including indexed, annuity disclosure information which would be provided to Iowa consumers through use of the ACLI templates will meet the requirements of the Iowa fixed annuity disclosure requirements set forth in Iowa Administrative Code Chapter 15, Sections 61 through 67, if the companies issuing the annuity follow the instructions relating to the completion of the disclosure. We believe that Iowa consumers will have a better understanding of the fixed, including indexed, annuity products being offered to them by the various insurance companies and producers if the new disclosure templates were used in Iowa for fixed, including indexed, annuity sales.

Based on our findings, the Iowa Insurance Division has agreed to conduct a pilot program with the ACLI for a one-year period regarding the use of the two templates for fixed and indexed annuities.

Some of the important pieces of the Annuity Disclosure Pilot are:

1. Companies that participate in the Iowa pilot program, and properly follow the template format and instructions, will need only to use the ACLI templates to comply with the Iowa annuity disclosure requirements for the type of annuity that they are selling. The Iowa Insurance Division will accept use of the ACLI annuity disclosure templates for fixed and indexed annuities in lieu of any other disclosure forms used by companies in compliance of the Iowa Administrative Code.
2. The participating life insurance companies will direct their selling insurance producers to include the disclosures of the products provided by the annuity templates. The Annuity Buyer's Guide is still required to be distributed in conjunction with the disclosure document.

3. The pilot for use of the templates will begin January 31, 2008. Companies unable to complete their programming by the January 31, 2008, date will be allowed to begin using the ACLI templates as soon as they are able to complete their system modifications. They can continue to use the forms they are currently using if they are in compliance with the Iowa annuity disclosure regulations.
4. Companies are allowed to participate in the pilot by use of one or more of the templates for any or all of the products being sold in Iowa.
5. Companies will need to notify the Iowa Insurance Division that they are using one or more of the template disclosure forms and what product form number is involved. They may do so by an e-mail message addressed to *annuity.project@iid.state.ia.us*.
6. The success of the use of the ACLI templates will be continually evaluated during the term of the pilots to determine that they are valuable to consumers, that they contain the necessary and proper information and that they are being used properly. The ACLI and the Iowa Insurance Division will discuss possible and necessary modifications to the templates during the year.