

NEWS & INFORMATION FROM THE IOWA INSURANCE DIVISION

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FOR IMMEDIATE RELEASE

IOWA INSURANCE DIVISION STRENGTHENS ANNUITY DISCLOSURE

Des Moines, Iowa – Iowa Insurance Commissioner Susan Voss announced today that the Iowa Insurance Division has embarked on a project to strengthen disclosure information pertaining to fixed annuity products purchased by Iowa consumers.

The Iowa Insurance Division and the American Council of Life Insurers (ACLI) have agreed to participate in a joint initiative designed to ensure that consumers receive all the information they need before they purchase two popular retirement planning products. Further, the standards for the information are based on the communication of accurate and proper information in a consumer-friendly format. The initiative is also designed to guide companies preparing disclosures to prepare and disclose information in a more uniform manner which will assist the consumer when comparing fixed annuity products. The initiative encompasses both indexed fixed annuities and non-indexed fixed annuities, but not Securities and Exchange Commission registered products such as variable annuities.

Member companies of the ACLI which have agreed to participate in this initiative are:

Transamerica Life Insurance Company; Life Investors Insurance Company of America; Transamerica Occidental Life Insurance Company; AXA Equitable Life Insurance Company; Genworth Financial; Hartford Life Insurance Company; ING Life Insurance & Annuity Company; Lincoln Financial Group; MetLife; Western & Southern Life Insurance Company; AAA Life Insurance Company; CUNA Mutual Group; Homesteaders Life Company; Principal Financial Group; Thrivent Financial for Lutherans; John Hancock

These companies are changing their systems to issue annuity disclosures that follow a standard format. The start date of the initiative is January 31, 2008, by which time all of the above companies will at least be in the process of implementing the initiative. Some of the companies will not have completed the conversion of their systems by that date or will have only done so partially but plan to implement the initiative further as their systems are converted.

The Iowa Insurance Division issued annuity disclosure regulations that became effective on July 1, 2004, which are modeled after the National Association of Insurance Commissioners' (NAIC) Annuity Disclosure Model Regulation. Among those rules is a requirement that at the time an application is taken

by a producer, the consumer receives a disclosure document containing certain information about the product purchased.

The ACLI and NAVA (now named the Association for Insured Retirement Solutions) developed, through focus groups and interviews with customers and producers, and input from a consumer advocate, disclosure templates for fixed and indexed annuities that raise the standard for information to assure that it is disclosed in plain English and in a user-friendly way. The Iowa Insurance Division has reviewed the templates and has determined that the information provided in the templates meets or exceeds the requirements of the Iowa annuity disclosure regulations.

Commissioner Voss said “the process in which the disclosure templates were developed ensured that all the groups interested in proper and uniform disclosure were involved through the focus groups. These groups included industry representatives and consumers as well as experts in writing in a more consumer-friendly plain English manner. Because of the process and the resulting work product, Iowa has taken the lead in ensuring that its citizens, when working through a complicated fixed annuity purchase, receive the information to make a knowledgeable, well-informed purchase.”

The Division has issued Bulletin 08-01 today which advises companies issuing annuities in Iowa that if they properly provide the information as required by the ACLI templates they will satisfy the requirements of the Iowa Annuity Disclosure Regulations.

The initiative will last for one year. During the year, information will be sought from consumers receiving the disclosure documents about the effectiveness of the disclosure document. During and at the end of the period, the ACLI, NAVA and the Iowa Insurance Division will evaluate the template forms and make whatever modifications are needed to provide even better more uniform information to the consumer. Other state insurance departments have indicated an interest in joining the initiative also.

The Bulletin, the ACLI and NAVA press release announcing the joint initiative, a FAQ document prepared by the ACLI and a background article discussing the development of the templates and the initiative can be viewed on the Iowa Insurance Division website, www.iid.state.ia.us.

About the Iowa Insurance Division

The Iowa Insurance Division (IID) has general control, supervision and direction over all insurance and securities business transacted in the state, and enforces Iowa’s laws and regulations. The IID investigates consumer complaints and prosecutes companies, agents and brokers engaging in unfair trade practices and investigates insurance fraud. Consumers with insurance or securities-related questions or complaints may contact the iid at its toll-free number, 877-955-1212 or visit the division on the web at www.iid.state.ia.us.