

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Insurance
1511 Pontiac Avenue, Bldg. 69-2
Cranston, Rhode Island 02920

CONCISE EXPLANATORY STATEMENT

Insurance Regulation 41 – Annuity Disclosure

The Department of Business Regulation (“Department”) hereby adopts amendments to Insurance Regulation 41 effective February 18, 2014 and makes this statement in accordance with R.I. Gen. Laws § 42-35-2.3. The Department makes these amendments in order to provide standards for the disclosure of certain minimum information about annuity contracts to protect consumers and foster consumer education. The regulation specifies the minimum information which must be disclosed and the method for disclosing it in connection with the sale of annuity contracts. The goal of this regulation is to ensure that purchasers of annuity contracts understand certain basic features of annuity contracts. The regulation is based upon the National Association of Insurance Commissioners Model with the goal of providing uniformity with other states. There are two differences between the text of the proposed rule as published in accordance with R.I. Gen. Laws § 42-35-3 and the rule as adopted. Those differences are:

1. In response to a comment the second half of section 2(D)(1) was removed. This is in accordance with a drafting note recently adopted by the NAIC.
2. In response to comments insurers were given until August 1, 2014 to fully comply with the regulation, with the caveat that earlier compliance is encouraged and will be compliant with the regulations mandates.

Dated – January 28, 2014