

*Senate* BILL NO. 226

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INTRODUCED BY *D. Cherry*

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING AN INSURER TO DISCLOSE TO AN APPLICANT THE TYPE OF ANNUITY BEING SOLD AND THE SETTLEMENT OPTIONS AVAILABLE UNDER THE ANNUITY CONTRACT."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Annuity disclosure.** An insurer providing any type of an annuity contract to an applicant shall prepare a worksheet approved by the commissioner to be filled out and signed by the applicant and the agent representing the insurer. The worksheet must describe the type of annuity being sold and the settlement options available under the annuity contract, including disclosure of funds available for joint and survivor, period certain, and single life annuities.

NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 33, chapter 20, part 3, and the provisions of Title 33, chapter 20, part 3, apply to [section 1].

-END-

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4 A BILL FOR AN ACT ENTITLED: "~~AN ACT REQUIRING AN INSURER TO DISCLOSE TO AN APPLICANT THE~~  
5 ~~TYPE OF ANNUITY BEING SOLD AND THE SETTLEMENT OPTIONS AVAILABLE UNDER THE ANNUITY~~  
6 ~~CONTRACT~~ THE COMMISSIONER OF INSURANCE TO PROMULGATE RULES PRESCRIBING INFORMATION  
7 THAT MUST BE DELIVERED TO A PROSPECTIVE ANNUITANT AT THE TIME OF SALE."

8  
9 STATEMENT OF INTENT

10 THE INTENT OF THIS BILL IS TO REQUIRE THE COMMISSIONER OF INSURANCE TO PROMULGATE  
11 RULES PRESCRIBING INFORMATION THAT MUST BE DELIVERED TO PROSPECTIVE ANNUITANTS AT THE  
12 TIME OF SALE. THE RULES MUST SET FORTH THE MANNER IN WHICH AND BY WHOM THE  
13 INFORMATION MUST BE DELIVERED. THE RULES MUST REQUIRE THAT THE PROSPECTIVE ANNUITANT  
14 BE INFORMED OF THE TYPE OF ANNUITY BEING SOLD AND THE SETTLEMENT OPTIONS AVAILABLE  
15 UNDER THE ANNUITY CONTRACT.

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17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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22 ~~type of annuity being sold and the settlement options available under the annuity contract, including~~  
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24 COMMISSIONER SHALL PROMULGATE RULES PRESCRIBING INFORMATION THAT MUST BE DELIVERED  
25 TO PROSPECTIVE ANNUITANTS AT THE TIME OF SALE. THE RULES MUST ADDRESS THE FOLLOWING:

- 26 (1) THE MANNER OF DELIVERY OF THE INFORMATION;  
27 (2) WHEN THE INFORMATION MUST BE DELIVERED;  
28 (3) BY WHOM THE INFORMATION IS TO BE DELIVERED; AND  
29 (4) THE CONTENTS OF THE INFORMATION, INCLUDING:  
30 (A) THE TYPE OF ANNUITY BEING SOLD; AND

1           (B) THE SETTLEMENT OPTIONS AVAILABLE UNDER THE ANNUITY CONTRACT.

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3           NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an  
4 integral part of Title 33, chapter 20, part 3, and the provisions of Title 33, chapter 20, part 3, apply to  
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SENATE BILL NO. 226

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A BILL FOR AN ACT ENTITLED: "~~AN ACT REQUIRING AN INSURER TO DISCLOSE TO AN APPLICANT THE TYPE OF ANNUITY BEING SOLD AND THE SETTLEMENT OPTIONS AVAILABLE UNDER THE ANNUITY CONTRACT~~ THE COMMISSIONER OF INSURANCE TO PROMULGATE RULES PRESCRIBING INFORMATION THAT MUST BE DELIVERED TO A PROSPECTIVE ANNUITANT AT THE TIME OF SALE."

STATEMENT OF INTENT

THE INTENT OF THIS BILL IS TO REQUIRE THE COMMISSIONER OF INSURANCE TO PROMULGATE RULES PRESCRIBING INFORMATION THAT MUST BE DELIVERED TO PROSPECTIVE ANNUITANTS AT THE TIME OF SALE. THE RULES MUST SET FORTH THE MANNER IN WHICH AND BY WHOM THE INFORMATION MUST BE DELIVERED. THE RULES MUST REQUIRE THAT THE PROSPECTIVE ANNUITANT BE INFORMED OF THE TYPE OF ANNUITY BEING SOLD AND THE SETTLEMENT OPTIONS AVAILABLE UNDER THE ANNUITY CONTRACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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