

IC 27-1-12.6

Chapter 12.6. General Provisions of Annuity Contracts

IC 27-1-12.6-1

Application of law

Sec. 1. Each annuity contract, as defined in IC 27-1-12.5, whether in a separate instrument, or in a separate provision in or as a rider to a life insurance policy, shall be subject to the limitations and disclosures set out in this chapter.

As added by Acts 1977, P.L.286, SEC.2.

IC 27-1-12.6-2

Calculation of paid-up nonforfeiture benefits

Sec. 2. Each annuity contract shall contain a brief and general statement of the method to be used in calculating the paid-up nonforfeiture benefits available under the contract.

As added by Acts 1977, P.L.286, SEC.2.

IC 27-1-12.6-3

Cash surrender value table

Sec. 3. Each annuity contract providing for single or fixed scheduled considerations shall contain a table showing the cash surrender value, if any, available under the contract on each contract anniversary date, during the first twenty (20) contract years or during the term of the contract, whichever is shorter. Such table shall be calculated upon the assumptions that there are no additional amounts credited by the company to the contract, that there is no indebtedness to the company on account of or secured by the contract and that there are no prior withdrawals from or partial surrender of the contract.

As added by Acts 1977, P.L.286, SEC.2.

IC 27-1-12.6-4

Automatic payments

Sec. 4. An annuity contract shall not contain a provision wherein life insurance premium or annuity consideration payments may be automatically made by the company by withdrawing from or placing a loan against annuity nonforfeiture values provided under the contract.

As added by Acts 1977, P.L.286, SEC.2.

IC 27-1-12.6-5

Right to return contracts

Sec. 5. Each annuity contract shall contain a provision giving the purchaser an unrestricted right to return the contract to the company or to the insurance producer through whom it was purchased, on or before the tenth day after it is received by the purchaser, such return entitling the purchaser to a return of the value of a variable annuity

account or the monies paid by the purchaser to a fixed account in connection with the issuance of the contract. This provision shall be conspicuously placed on the face of the contract. This provision does not apply to contracts issued in connection with a pension, annuity, or profit-sharing plan qualified or exempt under Sections 401, 403, 404, or 501 of the Internal Revenue Code, if participation in the plan is a condition of employment.

As added by Acts 1977, P.L.286, SEC.2. Amended by P.L.2-1987, SEC.37; P.L.116-1994, SEC.26; P.L.178-2003, SEC.17.

IC 27-1-12.6-6

Disclosures

Sec. 6. If an annuity contract does not provide a cash surrender benefit or a death benefit prior to the commencement of any annuity payments at least equal to the minimum nonforfeiture amounts provided in IC 27-1-12.5, the company shall, in addition to the disclosures provided in IC 27-1-12.5-8, make such disclosures as the commissioner by regulation shall provide, including, but not limited to, the following:

(1) The execution by the purchaser of a statement in such form as the commissioner may approve, stating specifically the following, as appropriate:

(i) the only nonforfeiture value provided by the contract is a paid-up benefit;

(ii) the contract provides no cash surrender value;

(iii) the contract provides no benefit should the purchaser die before maturity.

(2) The form shall be made a part of the application or may be executed separately from and attached to the application. It shall be executed at or prior to the time of executing the application and shall be filed with the application in the company's office.

As added by Acts 1977, P.L.286, SEC.2.

IC 27-1-12.6-7

Rules and regulations

Sec. 7. The commissioner is authorized to promulgate rules and regulations to provide disclosure of (1) the pertinent facts concerning annuity contracts to purchasers of these contracts in advertising and sales literature, (2) practices connected with their issuance, and (3) their annual nonforfeiture and related values.

As added by Acts 1977, P.L.286, SEC.2.

IC 27-1-12.6-8

Form of contracts

Sec. 8. An annuity contract shall not be issued or delivered in this state until the form has been filed with the department, and not thereafter if the department within thirty (30) days after this filing

gives a written notice to the company setting out the reasons why the form of the contract does not comply with the laws of this state.

As added by Acts 1977, P.L.286, SEC.2.

IC 27-1-12.6-9

Disapproval of benefits

Sec. 9. The commissioner may disapprove any individual annuity contract or contracts issued for delivery in Indiana which do not provide a cash surrender value in accordance with IC 27-1-12.5 upon cessation of the payment of considerations under the contract, if in his opinion the annuity would otherwise be misleading, deceptive or unfair to the purchaser. This provision does not, however, apply (i) to such contract delivered in connection with a pension, profit-sharing or employee benefit plan funded in whole or in part by employer contributions, (ii) to annuities purchased in connection with the termination or winding up of a pension, profit-sharing, or employee benefit plan, or (iii) to an individual annuity contract issued by a company organized and operated without profit to any private shareholder or individual, exclusively for the purpose of aiding nonproprietary education and scientific institutions, and providing a nationwide pension system featuring full funding and full and immediate vesting of benefits.

As added by Acts 1977, P.L.286, SEC.2.