



Illinois Department of Insurance

PAT QUINN
Governor

ANDREW R. STOLFI
Acting Director

TO: ALL LIFE INSURERS ISSUING ANNUITIES IN ILLINOIS

FROM: ANDREW STOLFI, ACTING DIRECTOR OF INSURANCE *AS*

DATE: OCTOBER 31, 2011

RE: COMPANY BULLETIN 2011-13
SUITABILITY IN ANNUITY TRANSACTIONS

The purpose of this bulletin is to clarify when the amendments to Part 3120 of Title 50 to the Illinois Administrative Code (50 Ill. Admin. Code 3120 et seq.) become operative. In general, the amended regulation revises certain suitability and supervisory standards for insurance producers and insurers when making recommendations for the purchase or exchange of annuities to Illinois consumers. The amendments also adopt producer training requirements so that producers selling annuities may be held accountable for their part in complying with the revised standards.

The new training provisions allow producers, who hold a life insurance line of authority and desire to sell annuities, until July 1, 2012, to complete the requirements. 50 Ill. Admin. Code 3120.60(c)(2). Since producers must first learn the revised suitability standards before they can be supervised for compliance, the training and supervisory functions are interdependent. In view of this relationship, the Department believes that it is implicit in the regulation that the insurer supervisory requirements contained in the regulation also become operative on July 1, 2012.

For questions regarding this bulletin please contact Susan Lamb, ASA, MAAA at susan.lamb@illinois.gov.