

STATE OF GEORGIA

IN THE MATTER OF:

**REGULATION 120-2-73-.05
APPENDIX TO BUYER'S GUIDE
TO ANNUITIES**

DOCKET NUMBER I-14-I-1

ORDER

I. STATEMENT OF PROCEEDINGS

On February 14, 2014, Notice of Intent to Adopt Rule Changes and Notice of Hearing (“Notice”) was given regarding the proposed repeal of the Appendix to Regulation 120-2-73-.05 entitled “Appendix-Buyer’s Guide to Annuities” and the adoption of a new Appendix to Regulation 120-2-73-.05 with the same title (Record, Exhibit 1). The purpose of the new Appendix (the “Proposed Regulation”) is to amend this office’s current version of the Buyer’s Guide and to incorporate additional versions of the Buyer’s Guide into this office’s Rules and Regulations.¹

By letter dated February 26, 2014, the Office of the Attorney General opined that the above-proposed changes to this office’s rules and regulations are within the Georgia Department of Insurance’s (the “Department’s”) scope of authority (Record, Exhibit 5). Pursuant to O.C.G.A. §50-13-4(e), the Proposed Regulation was transmitted to Wayne R. Allen, Legislative Counsel for the General Assembly, for assignment to the appropriate

¹ The NACI maintains three updated versions of an annuity buyer’s guide for state consideration. One version focuses on fixed deferred annuities (“First Version”), one version focuses on variable deferred annuities (“Second Version”), and one version addresses both fixed and variable deferred annuities (“Third Version”). Upon the issuance of this Order the Department will have adopted all three NAIC versions of the Buyer’s Guide.

standing committees of the Senate and House of Representatives (Record, Exhibit 6) and were assigned accordingly (Record, Exhibit 7).

II. CONSIDERATION OF INTERESTED PARTY COMMENTS

Interested persons were given the opportunity to participate in the proposed rulemaking by submitting their written comments to the Department by March 21, 2014, and by making oral comments at the public hearing held on March 25, 2014. No written comments were received.² Tom Carswell, the Assistant Director of the Insurance Product Review Division of the Department, was the only person to offer oral comments at the hearing (Transcript, pp. 7-11).

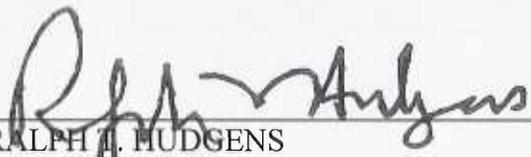
According to Mr. Carswell, the Department should have in its rules and regulations all three of the NAIC's recommended Annuity Buyer's Guides. Providing three versions of the Buyer's Guide in the Appendix to Regulation 120-2-73-.05 would allow producers to select the version most appropriate to each particular transaction. Moreover, such an approach would assist consumers with better understanding the features of the particular annuity products being considered for purchase (Transcript, 7-9).

² It should be noted that the Department previously received written comments from the National Association of Fixed Annuities and the Insured Retirement Institute requesting that the Department adopt all three versions of the Annuity Buyer's Guide. The Department also received written comment from the American Council of Life Insurers indicating that ACLI was not opposed to the Department adopting all three versions of the Annuity Buyer's Guides. Those comments were admitted into evidence at a public hearing held at the Department on December 3, 2013, to consider the adoption of the Third Version (Docket Number I-13-I-9).

III. DECISION

WHEREAS, no written or oral comments were offered in opposition to the Proposed Regulation, and **WHEREAS**, the Department finds Mr. Carswell's comments persuasive, **IT IS HEREBY ORDERED** that the Proposed Regulation is **HEREBY ADOPTED and SHALL BECOME** effective on January 1, 2015. A copy of the Proposed Regulation entitled "Appendix-Buyer's Guide to Annuities" is attached hereto and made a part by reference.

Given under my Hand and Seal this 6th day of October, 2014.



RALPH J. HUDGENS
INSURANCE AND SAFETY FIRE COMMISSIONER
STATE OF GEORGIA

