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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
03/10/2009	.	
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The Committee on Banking and Insurance (Bennett) recommended the following:

Senate Amendment (with title amendment)

Delete lines 235 - 254
and insert:

Section 8. Paragraph (b) of subsection (5) and paragraph (b) of subsection (7) of section 627.4554, Florida Statutes, as amended by section 9 of chapter 2008-237, Laws of Florida, are amended, and subsection (10) is added to that section, to read:

627.4554 Annuity investments by seniors.—

(5) MITIGATION OF RESPONSIBILITY.—

(b) The department may order:



484590

12 1. An insurance agent to take reasonably appropriate
13 corrective action for any senior consumer harmed by a violation
14 of this section by the insurance agent, including, but not
15 limited to, monetary restitution.

16 2. A managing general agency or insurance agency that
17 employs or contracts with an insurance agent to sell or solicit
18 the sale of annuities to senior consumers to take reasonably
19 appropriate corrective action for any senior consumer harmed by
20 a violation of this section by the insurance agent.

21 (7) EXEMPTIONS.—Unless otherwise specifically included,
22 this section does not apply to recommendations involving:

23 (b) Contracts issued ~~used~~ to fund:

24 1. An employee pension or welfare benefit plan that is
25 covered by the Employee Retirement and Income Security Act;

26 2. A plan described by s. 401(a), s. 401(k), s. 403(b), s.
27 408(k), or s. 408(p) of the Internal Revenue Code of 1986, as
28 amended, if established or maintained by an employer;

29 3. A government or church plan defined in s. 414 of the
30 Internal Revenue Code of 1986, as amended, a government or
31 church welfare benefit plan, or a deferred compensation plan of
32 a state or local government or tax-exempt organization under s.
33 457 of the Internal Revenue Code of 1986, as amended;

34 4. A nonqualified deferred compensation arrangement
35 established or maintained by an employer or plan sponsor;

36 5. Settlements of or assumptions of liabilities associated
37 with personal injury litigation or any dispute or claim
38 resolution process; or

39 6. Prepaid funeral contracts.

40 (10) An annuity contract issued to an annuitant 65 years of



484590

41 age or older may not contain a deferred sales charge exceeding 5
42 percent, and such charge shall be reduced to zero percent by the
43 end of the fifth policy year. This subsection does not apply to
44 those annuity contracts specified in paragraph (7) (b).

45

46 ===== T I T L E A M E N D M E N T =====

47 And the title is amended as follows:

48 Delete lines 36 - 40

49 and insert:

50 exempting certain types of contracts from certain provisions of
51 state law; prohibiting an annuity contract issued to a person 65
52 years of age or older from containing a deferred sales charge in
53 excess of a specified percentage; requiring that such charge be
54 reduced to zero within a specified period; exempting certain
55 contracts from such prohibition and requirement; providing an
56 effective date.