

Amendment No. 3

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>    </u>	(Y/N)
ADOPTED AS AMENDED	<u>    </u>	(Y/N)
ADOPTED W/O OBJECTION	<u>    </u>	(Y/N)
FAILED TO ADOPT	<u>    </u>	(Y/N)
WITHDRAWN	<u>    </u>	(Y/N)
OTHER	<u>    </u>	

1 Committee/Subcommittee hearing bill: Insurance & Banking  
 2 Subcommittee

3 Representative Santiago offered the following:

4  
 5 **Amendment (with title amendment)**

6 Remove lines 695-713 and insert:

7 627.4553 Recommendations to surrender.—

8 (1) If an insurance agent recommends the surrender of an  
 9 annuity or life insurance policy containing a cash value and  
 10 does not recommend that the proceeds from the surrender be used  
 11 to fund or purchase another annuity or life insurance policy,  
 12 before execution of the surrender, the insurance agent, ~~or~~  
 13 ~~insurance company if no agent is involved,~~ shall provide written  
 14 ~~, on a form that satisfies the requirements of the rule adopted~~  
 15 ~~by the department,~~ information relating to the annuity or policy  
 16 to be surrendered. The written information must be delivered at  
 17 or after the time of the recommendation but no later than 14

Amendment No. 3

18 days prior to the surrender of the annuity or life insurance  
19 policy. If the owner requests to terminate the surrender prior  
20 to the surrender being effectuated, the surrender must be  
21 cancelled. Such information shall include, but is not limited  
22 to, the amount of any estimated surrender charge, the loss of  
23 any minimum interest rate guarantees, the possibility amount of  
24 any tax consequences resulting from the transaction, the  
25 estimated amount of any forfeited death benefit, and a  
26 description of the value of any other investment performance  
27 guarantees being forfeited as a result of the transaction. The  
28 agent shall maintain a copy of the information and the date that  
29 the information was provided to the owner. This section also  
30 applies to a person performing insurance agent activities  
31 pursuant to an exemption from licensure under this part.

32 (2) For purposes of this section, the term "surrender"  
33 means the voluntary total surrender, by the owner's request, of  
34 the annuity or life insurance policy before its maturity date,  
35 in exchange for the policy's current total cash surrender value  
36 and resulting in termination of the policy or contract. The term  
37 "surrender" excludes any involuntary termination that is  
38 otherwise required by the terms of the policy contract and  
39 excludes all transactions other than a total surrender, such as  
40 maturity, policy loan, lapse for non-payment of premium, a  
41 partial surrender or partial withdrawal of policy or contract  
42 values, annuitization, or exercise of reduced-paid-up or  
43 extended-term non-forfeiture options.

Amendment No. 3

44  
45  
46  
47  
48  
49  
50

-----

**T I T L E   A M E N D M E N T**

Remove line 37 and insert:

insurance policy under certain circumstances; prohibiting  
surrender under certain circumstances; creating a definition;  
amending