



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Assembly Bill 811

Assembly Amendment 1

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Assembly Bill 811 provides additional requirements insurers must meet before recommending or issuing an annuity to ensure that an annuity is suitable for a consumer. The bill requires insurers to establish a system to ensure compliance with the requirements. The bill also requires insurance intermediaries to receive training before recommending annuities and includes penalties for failure to comply with the laws relating to recommending and issuing annuities.

Under the bill, unless otherwise prescribed by rule, the laws relating to recommending and issuing annuities do not apply to direct response solicitations in which no recommendation is made based on information collected from the consumer or to recommendations related to contracts used to fund specified retirement and deferred compensation plans, settlements or assumptions of liability associated with personal injury litigation or any dispute or claim resolution process, and formal prepaid funeral or burial contracts.

Assembly Amendment 1 deletes the authority of the Commissioner of Insurance to modify by rule the exemptions to the laws relating to recommending and issuing annuities.

Legislative History

Assembly Amendment 1 was offered by Representatives Nygren and Cullen. On April 13, 2010, the Assembly Committee on Insurance unanimously recommended adoption of Assembly Amendment 1 and recommended passage of the bill, as amended, on a vote of Ayes, 9; Noes, 1.

AS:ksm