

111TH CONGRESS
1ST SESSION

H. R. 2733

To clarify the exemption for certain annuity contracts and insurance policies from Federal regulation under the Securities Act of 1933.

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2009

Mr. MEEKS of New York (for himself, Mr. PRICE of Georgia, Mr. CLEAVER, Mr. PAUL, Mr. BOSWELL, Mr. SENSENBRENNER, Mr. CLAY, Mr. KLINE of Minnesota, Mr. FATTAH, Mr. LATHAM, Mr. POMEROY, Mr. SESSIONS, Mr. LATOURETTE, Mr. DRIEHAUS, Mr. BRADY of Texas, Mr. MCCAUL, Mr. KIND, Mr. WILSON of Ohio, Ms. JENKINS, Mr. CULBERSON, Mr. WELCH, and Ms. FUDGE) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To clarify the exemption for certain annuity contracts and insurance policies from Federal regulation under the Securities Act of 1933.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fixed Indexed Annu-

5 ities and Insurance Products Classification Act of 2009”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—The Congress makes the following
3 findings:

4 (1) Primary jurisdiction for regulating life in-
5 surance and annuities is vested with the States and
6 Territories of the United States and the District of
7 Columbia.

8 (2) Indexed insurance and annuity products of-
9 fered by insurance companies are subject to a wide
10 array of laws and regulations enforced by States and
11 applicable jurisdictions, including nonforfeiture re-
12 quirements that provide for minimum guaranteed
13 values, thereby protecting consumers against market
14 related losses.

15 (3) Adoption of Rule 151A by the Securities
16 and Exchange Commission, entitled “Indexed Annu-
17 ities and Certain Other Insurance Products”, 74
18 Fed. Reg. 3138 (January 16, 2009), interferes with
19 State insurance regulation, harms the insurance in-
20 dustry, reduces competition, restricts consumer
21 choice, creates unnecessary and excessive regulatory
22 burdens, and diverts Commission resources, all of
23 which outweighs any perceived benefits.

24 (b) PURPOSE.—The purpose of this Act is to nullify
25 rule 151A and clarify the scope of the exemption for annu-

1 ities and insurance contracts from Federal regulation
2 under the Securities Act of 1933.

3 **SEC. 3. SCOPE OF EXEMPTION FROM FEDERAL SECURITIES**
4 **REGULATION.**

5 Section 3(a)(8) of the Securities Act of 1933 (15
6 U.S.C. 77c (a)(8)) is amended by inserting before the
7 semicolon the following: “, and any insurance or endow-
8 ment policy or annuity contract or optional annuity con-
9 tract (A) the value of which does not vary according to
10 the performance of a separate account, and (B) which sat-
11 isfies standard nonforfeiture laws or similar requirements
12 of the applicable State, Territory, or District of Columbia
13 at time of issue, or in the absence of applicable standard
14 nonforfeiture laws or requirements, satisfies the Model
15 Standard Nonforfeiture Law for Life Insurance or Model
16 Standard Nonforfeiture Law for Individual Deferred An-
17 nuities, or any successor model law, as published by the
18 National Association of Insurance Commissioners.”.

19 **SEC. 4. NULLIFICATION OF CERTAIN FEDERAL SECURITIES**
20 **REGULATIONS.**

21 Rule 151A promulgated by the Securities and Ex-
22 change Commission and entitled “Indexed Annuities and
23 Certain Other Insurance Contracts”, 74 Fed. Reg. 3138
24 (January 16, 2009), shall have no force or effect.

○