

Review Requirements Checklist  
INDIVIDUAL ANNUITY

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
<b>General Filing Requirements</b>		
Transmittal Letter	14VAC5-100-40	<b>For Paper Filings:</b> Must be submitted in duplicate for each filing, describing each form, its intended use and kind of insurance provided.
	14VAC5-100-40 1	Forms submitted and described in transmittal letter must have a number that consists of digits, letters, or a combination of both.
	14VAC5-100-40 2	Must clearly indicate if forms are replacements, revisions, or modifications of previously approved forms and describe the exact changes that are intended.
	14VAC5-100-40 3	Certification of Compliance signed by General Counsel or officer of company or attorney or actuary representing company is required.
	14VAC5-100-40 5	Description of market for which the form is intended.
	14VAC5-100-40 6	<b>For Paper Filings:</b> At least one copy of each form must be included in the filing. A duplicate copy of forms must be submitted if the company wants a “stamped” copy of forms for its records. A stamped self-addressed return envelope is required. The letter of transmittal must be addressed to: State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218.
	Administrative Letter 1983-7	Must include the name and Individual NAIC number of the company for which the filing is made.
Variable Language		All variable information must be bracketed and explained in detail. A Statement of Variability (SOV) should be provided in all cases where variable information is presented. The SOV should be detailed and specific. It should identify each variable field appearing in the forms and describe specifically how that field will vary from the text as presented. For any variable numerical information, please express the minimum and maximum values. Any variable language must be defined sufficiently so that compliance with statutory or regulatory requirements can be determined. The SOV should be provided under Supporting Documentation.
<b>Additional SERFF Filing Requirements</b>	<b>Administrative Letter 2012-03</b>	<b>Additional SERFF filing requirements must be met as specified below for life and health forms and rate filings. Failure to provide the applicable information will result in a “rejected” filing.</b>
<b>General Information – Filing Description</b>		(i) Description of each form by name, title, edition date, other; and intended use.
		(ii) Identification of changes in benefits and premiums (previously approved or filed forms). [Place changed contract provisions (red-lined or highlighted) in Supporting Documentation].
		(iii) Identification of SERFF or state tracking number for the previously approved or filed form for which the new form revises, replaces, or is intended to be used.

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		(iv) A statement as to whether any other regulatory body has withdrawn approval of the form because the form contains one or more provisions that were deemed to be misleading, deceptive or contrary to public policy.
<b>HELP TIP:</b>		If a form or rate filing is submitted as new in Virginia, but was previously disapproved or withdrawn in Virginia, please provide details such as the tracking information, form number, and the date that the form or rate filing was disapproved or withdrawn, if available.
<b>Forms</b>		
Form Number	14VAC5-100-50 1	Form number must appear in lower left-hand corner of first page of each form.
Company Name & Address	14VAC5-100-50 2	Full and proper corporate name (including "Inc.") must prominently appear on cover sheet of all policies and other forms. Home office address of insurer must prominently appear on each policy.
Final Form	14VAC5-100-50 3	Form must be submitted in the final form in which it will be issued and completed in "John Doe" fashion to indicate its intended use.
Application	14VAC5-100-50 4	Any form, which is to be issued with an attached application, must be filed with a copy of the application completed in "John Doe" fashion to indicate its intended use. (If application was previously approved, advise date of approval).
Type Size	14VAC5-100-50 5	Forms must be printed in a type size of at least 8-point type.
Arbitration	§ 38.2-312	Contract may not deprive courts of Virginia jurisdiction in actions against insurer. Arbitration may not be binding.
Fraud Notice	§ 38.2-316 D 1	Title 38.2 of the Code of Virginia does not define "Insurance Fraud". Any fraud notice that includes the term "insurance fraud" is not in compliance with this section of the Code. In Virginia, a fraud notice relating to life insurance, annuities, accident and sickness, health maintenance organizations, health services plans, credit accident and sickness and credit life insurance should not include references to imprisonment or fines. Variations in a notice warning of consequences of making fraudulent statements will be considered.
<b>Disclosures</b>		
Contents of Policies	§ 38.2-305 A	Each policy/contract shall specify the: (1) The names of parties to the contract, (2) The subject of the insurance, (3) The risk insured against, (4) The time the insurance takes effect, and the period during which the insurance is to continue, (5) A statement of premium, (6) Conditions pertaining to the insurance.
Important Notice	§ 38.2-305 B	Each new or renewal policy/contract/certificate/evidence of coverage shall be accompanied by an important notice as stated in the statute.
Beneficiary Notice	§ 38.2-305 C	Every annuity contract that states that the beneficiary is the spouse of the policy owner must contain a beneficiary notice either attached to or incorporated into the first page of the contract.

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Tax Disclaimer	§ 38.2-316 D 3	<p>The following notice should be included in any annuity contract that contains language regarding the Federal Tax Code (IRC Code):</p> <p><i>This contract is intended to qualify under the Internal Revenue Code for tax favored treatment. Language contained in this contract referring to federal tax statutes or rules may be required under Internal Revenue Service regulations. This language is not subject to approval or disapproval by the state insurance department in which the contract is issued for delivery. The insurance contract and your qualifying status are factors in determining whether your funds will receive favorable tax treatment. Please consult your tax advisor if you have questions regarding these issues.</i></p> <p>The notice must be made a part of the contract or printed within the body of the contract.</p>
<b>General Policy Provisions</b>		
Definition	§ 38.2-106	The annuity contract must meet the definition of an annuity.
Misstatement of Age	§ 38.2-508	If the age of the insured is found to be misstated, the amount payable under the policy will equal the amount of premium purchased at the insured's correct age. Any overpayments or underpayments made by the insurer must be credited or refunded appropriately.
Suicide	§ 38.2-3106 B	If the contract includes a suicide provision, the provision shall be no more restrictive than limiting the liability of an insurer to an insured who dies by his own act within 2 years from the date of the policy. The insurer is obligated to return or pay at the least the amount of any premium paid for the policy.
Incontestability	§ 38.2-3107 A	No annuity contract shall be contestable after it has been in force during the lifetime of the insured for 2 years from its date, except for nonpayment of premiums.
Interest on Proceeds	§ 38.2-3115	<p>If an action to recover proceeds under any annuity contract results in a judgement against the insurer, the legal rate of interest will be paid from the date of presentation of proof of death, or the date of maturity of an endowment policy, to the date that the judgement was entered.</p> <p>If no action is brought against the insurer, interest upon the principal sum will be computed daily at an annual rate of 2 1/2% or at the annual rate currently paid by the insurer on proceeds left under the interest settlement option, whichever is greater.</p>
Loan Value/Length of Deferment	§ 38.2-3218	The loan value shall be the cash surrender value at the end of the current policy year. The insurer shall have the right to defer a loan for up to 6 months after an application for the loan is made, except when the loan is made to pay premiums to the insurer.
Loans	§ 38.2-3308 A	If the annuity contract includes a loan provision, the contract shall provide that, after it has been in force for 3 years, the owner may advance a sum equal to or, at the option of the owner, less than the amount required by § 38.2-3218.
	§ 38.2-3308 C 4	If the maximum interest rate is determined pursuant to the Published Monthly Average, the policy shall contain a provision setting forth the frequency at which the rate is to be determined for that policy.

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	§ 38.2-3308 D	The insurer may deduct from the loan value any indebtedness not already deducted in determining the value of any unpaid balance of the premium and any interest that may be allowable on the loan to the end of the current policy year. If interest on the loan is not paid when due, it will be added to the existing loan and bear interest at the same rate.
<b>Nonforfeiture Requirements</b>		
Applicability	§ 38.2-3219	Nonforfeiture Provisions DO NOT apply to group annuities, variable annuities, immediate annuities, deferred annuities after payments have commenced or contracts delivered outside of the Commonwealth.
Paid-Up Annuity Benefit	§ 38.2-3220 A 1	Annuity contracts shall contain a provision indicating that upon cessation of payment of considerations under a contract, the insurer will grant a paid-up annuity benefit on a plan stipulated in the contract.
Cash Surrender Benefit	§ 38.2-3220 A 2	If an annuity contract provides for a lump sum settlement or includes a provision upon which the contract may be surrendered before annuity payments are made, the insurer shall pay, instead of a paid-up annuity benefit, a cash surrender benefit. The insurer may defer the payment of the cash surrender benefit for up to 6 months after demand for payment with surrender of the contract after making a written request and receiving approval from the Commission.
Interest & Table for Guaranteed Benefits	§ 38.2-3220 A 3	Each annuity contract must include a statement of the mortality table and the interest rates used in calculating any minimum paid-up annuity, cash surrender or death benefits that are guaranteed under the contract.
Provision Regarding Values not less than Minimum of State Where Delivered	§ 38.2-3220 A 4	Each annuity contract shall provide that all paid-up annuity benefits, cash surrender benefits or death benefits available under the contract are not less than the minimum benefits required by any statute of the state in which the contract is delivered.
Termination – Premiums not Received	§ 38.2-3220 B	Each deferred annuity contract may provide that if no considerations have been received under the contract for a period of 2 full years and the portion of the paid-up annuity benefit at maturity would be less than \$20.00 monthly, the insurer may at its option terminate the contract by payment in cash of the then present value of the portion of the paid-up annuity benefit.
Disclosure of Limited Death Benefits	§ 38.2-3226	Any contract that does not provide cash surrender benefits or does not provide death benefits at least equal to the minimum nonforfeiture amount before the beginning of any annuity payments must include a statement in the contract that those benefits are not provided.

**Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:**  
<http://www.scc.virginia.gov/boi/laws.aspx>

The Forms and Rates Section of the Life and Health Division reviews individual annuity insurance. Please contact this section at (804) 371-9110 if you have questions or need additional information about this line of insurance.

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I hereby certify that I have reviewed the attached individual annuity filing and determined that it is in compliance with the individual annuity checklist.

Signed: \_\_\_\_\_

Name (please print): \_\_\_\_\_

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_ Phone No: ( ) \_\_\_\_\_ FAX No: ( ) \_\_\_\_\_

E-Mail Address: \_\_\_\_\_