

## Restoring American Financial Stability Conference Amendment

1 On page 1342 of the conference base text of H.R.  
2 4173, after line 25, insert the following:

3 **SEC. 989G. FURTHER PROMOTING THE ADOPTION OF THE**  
4 **NAIC MODEL REGULATIONS THAT ENHANCE**  
5 **PROTECTION OF SENIORS AND OTHER CON-**  
6 **SUMERS.**

7 (a) IN GENERAL.—The Commission shall treat as ex-  
8 empt securities described under section 3(a)(8) of the Se-  
9 curities Act of 1933 (15 U.S.C. 77e(a)(8)) any insurance  
10 or endowment policy or annuity contract or optional annu-  
11 ity contract—

12 (1) the value of which does not vary according  
13 to the performance of a separate account;

14 (2) that—

15 (A) satisfies standard nonforfeiture laws or  
16 similar requirements of the applicable State at  
17 the time of issue; or

18 (B) in the absence of applicable standard  
19 nonforfeiture laws or requirements, satisfies the  
20 Model Standard Nonforfeiture Law for Life In-  
21 surance or Model Standard Nonforfeiture Law

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1 for Individual Deferred Annuities, or any suc-  
2 cessor model law, as published by the National  
3 Association of Insurance Commissioners; and  
4 (3) that is issued—

5 (A) on and after June 16, 2013, in a  
6 State, or issued by an insurance company that  
7 is domiciled in a State, that—

8 (i) adopts rules that govern suitability  
9 requirements in the sale of an insurance or  
10 endowment policy or annuity contract or  
11 optional annuity contract, which shall sub-  
12 stantially meet or exceed the minimum re-  
13 quirements established by the Suitability in  
14 Annuity Transactions Model Regulation  
15 adopted by the National Association of In-  
16 surance Commissioners in March 2010;  
17 and

18 (ii) adopts rules that substantially  
19 meet or exceed the minimum requirements  
20 of any successor modifications to the model  
21 regulations described in subparagraph (A)  
22 within 5 years of the adoption by the Asso-  
23 ciation of any further successors thereto;  
24 or

1 (B) by an insurance company that adopts  
2 and implements practices on a nationwide basis  
3 for the sale of any insurance or endowment pol-  
4 icy or annuity contract or optional annuity con-  
5 tract that meet or exceed the minimum require-  
6 ments established by the National Association  
7 of Insurance Commissioners Suitability in An-  
8 nuity Transactions Model Regulation (Model  
9 275), and any successor thereto, and is there-  
10 fore subject to examination by the State of  
11 domicile of the insurance company, or by any  
12 other State where the insurance company con-  
13 ducts sales of such products, for the purpose of  
14 monitoring compliance under this section.

15 (b) RULE OF CONSTRUCTION.—Nothing in this sec-  
16 tion shall be construed to affect whether any insurance  
17 or endowment policy or annuity contract or optional annu-  
18 ity contract that is not described in this section is or is  
19 not an exempt security under section 3(a)(8) of the Secu-  
20 rities Act of 1933 (15 U.S.C. 77c(a)(8)).