

2751.0500 AUTHORITY OF INSURERS.

Subpart 1. **Application.** The following requirements in this part apply to all insurers seeking authority to issue modified guaranteed annuities in this state.

Subp. 2. **Licensing and approval to do business.** No company shall deliver or issue for delivery modified guaranteed annuities within this state unless it is licensed or organized to do a life insurance or annuity business in their state pursuant to Minnesota Statutes, section 60A.07, and the commissioner is satisfied that its condition or method of operation in connection with the issuance of these contracts will not render its operation hazardous to the public or its policyholders in this state. In this connection, the commissioner shall consider among other things the history and financial condition of the company; the character, responsibility, and fitness of the officers and directors of the company; and the law and regulation under which the company is authorized in the state of domicile to issue these annuities.

If the company is a subsidiary of an admitted life insurance company, or affiliated with the company by common management or ownership, it may be considered by the commissioner to have satisfied the requirements of this subpart, if either it or the admitted life company satisfies the requirements of this subpart. Companies licensed and having a satisfactory record of doing business in this state for a period of at least three years may be considered by the commissioner to have satisfied the requirements of this subpart.

Before any company delivers or issues for delivery modified guaranteed annuities within this state, it shall submit to the commissioner a general description of the kinds of these annuities it intends to issue; if requested by the commissioner, a copy of the statutes and regulations of its state of domicile under which it is authorized to issue these annuities; and if requested by the commissioner, biographical data with respect to officers and directors of the company on the NAIC uniform biographical data form.

Subp. 3. **Use of sales materials.** An insurer authorized to transact modified guaranteed annuity business in this state shall not use any sales material, advertising material, or descriptive literature or other materials of any kind in connection with its modified guaranteed annuity business in this state that is false, misleading, deceptive, or inaccurate.

Illustrations of benefits payable under any modified guaranteed annuity shall not include projections of past investment experience into the future or attempted predictions of future investment experience. Hypothetical assumed interest credits may be used to illustrate possible levels of benefits.

Before any insurer delivers or issues for delivery any modified guaranteed annuity contract in this state, the commissioner may require the filing of a copy of any prospectus or other sales material to be used in connection with the marketing of that insurer's modified

guaranty annuity contract. The sales material must clearly illustrate that there can be both upward and downward adjustments due to the application of the market value adjustment formula in determining nonforfeiture benefits.

Subp. 4. **Reports.** An insurer authorized to transact the business of modified guaranteed annuities in this state shall submit to the commissioner:

A. a separate account annual statement that includes the business of its modified guaranteed annuities; and

B. additional information concerning its modified guaranteed annuity operations or separate accounts the commissioner considers necessary.

Subp. 5. **Authority of commissioner to disapprove.** Any material required to be filed with and approved by the commissioner shall be disapproved by the commissioner if the commissioner finds that it does not comply with the standards established by this chapter.

Statutory Authority: *MS s 45.023; 61A.20*

History: *14 SR 2052*

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