

Economic Impact Statement

LSA Document #08-70

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

The proposed rule provides standards for the disclosure of certain minimum information about annuity contracts to protect consumers and to foster consumer education. The rule will impact life insurance companies. There are 37 Indiana domestic life insurance companies. Most do not qualify as small businesses. At the most, three of these companies may be small businesses.

Estimated Average Annual Administrative Costs That Small Businesses Will Incur:

There are no regulatory costs associated with this proposed rule.

Estimated Total Annual Economic Impact on Small Businesses:

Insurers must provide a disclosure document and a Buyer's Guide to applicants when an application is made in a face-to-face meeting or through the mail. For applications received via Internet, insurers must take reasonable steps to make the Buyer's Guide available for viewing and printing on the insurer's website.

In addition, insurers are required to provide annual reports containing certain minimum information to contract owners.

Regulatory Flexibility Analysis of Alternative Methods:

The department determined that adoption of the model standards issued by the National Association of Insurance Commissioners would be the most efficient for the marketplace. The standards are uniform so that there is no additional cost for doing business in Indiana.

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