

**Economic Impact Statement**  
LSA Document #08-118

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

The proposed rule sets forth standards to protect active duty service members of the United States armed forces from dishonest and predatory insurance sales practices by declaring certain identified practices to be false, misleading, deceptive, or unfair. 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 and insurance producers conducting a sale in-person face-to-face with a service member are required to provide a copy of the application or a written disclosure that clearly sets out the type of life insurance, the death benefit applied for, and its expected cost. Insurers and insurance producers offering for sale a life insurance contract containing a side fund are required to provide service members with a schedule of effective rates of return based on cash flows of the combined products.

**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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