

111TH CONGRESS  
1ST SESSION

# H. R. 2733

To clarify the exemption for certain annuity contracts and insurance policies from Federal regulation under the Securities Act of 1933.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2009

Mr. MEEKS of New York (for himself, Mr. PRICE of Georgia, Mr. CLEAVER, Mr. PAUL, Mr. BOSWELL, Mr. SENSENBRENNER, Mr. CLAY, Mr. KLINE of Minnesota, Mr. FATTAH, Mr. LATHAM, Mr. POMEROY, Mr. SESSIONS, Mr. LATOURETTE, Mr. DRIEHAUS, Mr. BRADY of Texas, Mr. MCCAUL, Mr. KIND, Mr. WILSON of Ohio, Ms. JENKINS, Mr. CULBERSON, Mr. WELCH, and Ms. FUDGE) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To clarify the exemption for certain annuity contracts and insurance policies from Federal regulation under the Securities Act of 1933.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Fixed Indexed Annu-

5       ities and Insurance Products Classification Act of 2009”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—The Congress makes the following  
3 findings:

4 (1) Primary jurisdiction for regulating life in-  
5 surance and annuities is vested with the States and  
6 Territories of the United States and the District of  
7 Columbia.

8 (2) Indexed insurance and annuity products of-  
9 fered by insurance companies are subject to a wide  
10 array of laws and regulations enforced by States and  
11 applicable jurisdictions, including nonforfeiture re-  
12 quirements that provide for minimum guaranteed  
13 values, thereby protecting consumers against market  
14 related losses.

15 (3) Adoption of Rule 151A by the Securities  
16 and Exchange Commission, entitled “Indexed Annu-  
17 ities and Certain Other Insurance Products”, 74  
18 Fed. Reg. 3138 (January 16, 2009), interferes with  
19 State insurance regulation, harms the insurance in-  
20 dustry, reduces competition, restricts consumer  
21 choice, creates unnecessary and excessive regulatory  
22 burdens, and diverts Commission resources, all of  
23 which outweighs any perceived benefits.

24 (b) PURPOSE.—The purpose of this Act is to nullify  
25 rule 151A and clarify the scope of the exemption for annu-

ities and insurance contracts from Federal regulation under the Securities Act of 1933.

**SEC. 3. SCOPE OF EXEMPTION FROM FEDERAL SECURITIES  
REGULATION.**

Section 3(a)(8) of the Securities Act of 1933 (15 U.S.C. 77c (a)(8)) is amended by inserting before the semicolon the following: “, and any insurance or endowment policy or annuity contract or optional annuity contract (A) the value of which does not vary according to the performance of a separate account, and (B) which satisfies standard nonforfeiture laws or similar requirements of the applicable State, Territory, or District of Columbia at time of issue, or in the absence of applicable standard nonforfeiture laws or requirements, satisfies the Model Standard Nonforfeiture Law for Life Insurance or Model Standard Nonforfeiture Law for Individual Deferred Annuities, or any successor model law, as published by the National Association of Insurance Commissioners.”.

**SEC. 4. NULLIFICATION OF CERTAIN FEDERAL SECURITIES  
REGULATIONS.**

Rule 151A promulgated by the Securities and Exchange Commission and entitled “Indexed Annuities and Certain Other Insurance Contracts”, 74 Fed. Reg. 3138 (January 16, 2009), shall have no force or effect.

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