

# Arkansas Insurance Department

Mike Beebe  
Governor



Jay Bradford  
Commissioner

July 23, 2009

**BULLETIN NO. 8-2009**

**TO: ALL LIFE INSURERS AND PRODUCERS, THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, TRADE ASSOCIATIONS, AND OTHER INTERESTED PARTIES**

**FROM: ARKANSAS INSURANCE DEPARTMENT**

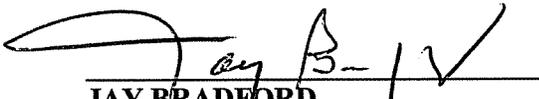
**RE: REPLACEMENT OF LIFE INSURANCE POLICIES OR ANNUITY CONTRACTS; COMPLIANCE WITH DEPARTMENT RULE 97**

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The Arkansas Insurance Department ("Department") has recently adopted Department Rule 97, "Life Insurance and Annuities Replacement." Department Rule 97 requires a written memorandum based on a comparison of the provisions of the existing life insurance policy or annuity contract and the proposed policy or contract. The attached form lists a number of provisions that may be compared when appropriate. This bulletin is issued to assist insurers and producers in complying with the requirements of Department Rule 97. Compliance with the requirements of Department Rule 97 is required no later than January 1, 2010, the Rule's effective date.

The Life Insurance and Annuities Replacement Memorandum attached to this Bulletin is the format required in order to satisfy Department Rule 97. Comparisons of all appropriate provisions must be made, noting that the appropriate provisions for comparison will vary depending upon the product(s).

Questions concerning this Bulletin should be directed to the Arkansas Insurance Department's Legal Division at (501) 371-2820 or via e-mail to [insurance.legal@arkansas.gov](mailto:insurance.legal@arkansas.gov).

  
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JAY BRADFORD  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

7-23-09  
\_\_\_\_\_  
DATE

**LIFE INSURANCE AND ANNUITIES**

**REPLACEMENT MEMORANDUM**

**EXISTING CONTRACT/POLICY**

**PROPOSED CONTRACT/POLICY**

Owner / Annuitant(s) \_\_\_\_\_

Owner / Annuitant(s) \_\_\_\_\_

Insurer \_\_\_\_\_

Insurer \_\_\_\_\_

Contract # \_\_\_\_\_

Application # \_\_\_\_\_

Product Type \* \_\_\_\_\_

Product Type \* \_\_\_\_\_

Product Name \_\_\_\_\_

Product Name \_\_\_\_\_

**FOR BOTH LIFE INSURANCE AND ANNUITIES**  
*(Complete all that is applicable)*

CONTRACT OR POLICY PROVISION	EXISTING CONTRACT/POLICY	REPLACEMENT CONTRACT/POLICY
Current Proposed Premium / Annual Consideration		
Current Contract Value		
Current Surrender Value		
Death Benefit Amount		
Current Interest Rate & Guarantee Period		
Guaranteed Minimum Accumulation/Interest Rate		

\* Deferred Fixed Annuity, Deferred Variable Annuity, Deferred Indexed Fixed Annuity, Immediate Annuity, Indexed Life Insurance, Variable Life Insurance, Whole Life Insurance, Universal Life insurance, Term Life Insurance and Endowment

Surrender Charge Period in Years/ Charge Percentage Per Year/ Years Remaining		
Are free withdrawals available? If yes, what percentage? List options.		
Other significant policy or contract provisions		

**FOR ANNUITIES ONLY**  
*(Complete all that is applicable)*

CONTRACT PROVISION	EXISTING CONTRACT/POLICY	REPLACEMENT CONTRACT/POLICY
Initial Bonus Percentage or Amount		
Potential Loss of Bonus if Annuity is Exchanged, Surrendered or Funds Withdrawn		
Sub-Account Choices		
Guaranteed Purchase/Settlement Options		

I have received a copy of this completed form.

\_\_\_\_\_/\_\_\_\_\_  
Owner/Annuitant                      Date

\_\_\_\_\_/\_\_\_\_\_  
Joint Owner/Annuitant              Date

I certify that the above provisions, and any other significant provisions, of the existing policy or contract and the proposed policy or contract were discussed with the applicant(s).

\_\_\_\_\_/\_\_\_\_\_  
Producer Signature                      Date