

**Form Filing Checklist – Individual Annuity**

## DISCLAIMER

*The form filing checklists are intended only as guides for submitting various policy forms to the Office of the Commissioner of Insurance. The checklists are summaries and are not intended as an OCI directive nor to interpret or address technical legal questions. Although efforts have been made to ensure that the checklists are current and accurate, information is subject to change on a regular basis without prior notice.*

The cites in the second column reference Wisconsin statutes, unless they begin with “Ins”, (which indicates a Wisconsin administrative code [regulation]).

<b>General Filing Requirements</b>	<b>Reference</b>	<b>Comments</b>
Transmittal Document	601.42 Ins 6.05(4)(a) 1	SERFF incorporates the required transmittal documents. The “Help” link in SERFF provides access to instructions and tutorials.
Certificate of Compliance and Readability	Ins 6.05(4) (a) 2, Ins 6.05 Appendix A, Ins 6.07(4)	Include information identified in the SERFF Submission Requirements and instructions. Under the Form Schedule Tab, provide a Readability score for each consumer insurance policy form filed.
Filing Description (SERFF)	Ins 6.05(4)(a)3	Explain the purpose of the form filing. Indicate if the filing is new, or a revision of a previously filed form. If changes are related to a previously filed form, provide a brief explanation of the changes, and attach a red-lined copy under the Supporting Documentation Tab.
<b>Policy Form Requirements</b>	<b>Reference</b>	<b>Comments</b>
Hypothetical and Variable Data	Ins 6.05(4)	Each form must be in its final format exactly as it will be offered for issuance or delivery in the state of Wisconsin. Exceptions include hypothetical data and other appropriate variable material that should be bracketed. Include a written description identifying the range of any variable language or material.
General Conditions	631.20(2)(a)	Forms may not be inequitable, unfairly discriminatory, misleading, deceptive, obscure or encourage misrepresentation.
Corporate Name	631.31 & 631.64	The policy shall conspicuously display the name of the insurer on the first page.
Insurer Name and Address	631.20(2)(c)	The policy shall disclose the exact name of the insurer and the full address of its home office.
Free-Look Provision	Ins 2.07(6)	If replacement is involved, notice must be provided the policyholder of a 30-day right to return the policy or contract after delivery for a full refund of premiums or considerations paid, or for variable or market value adjustment policies and contracts, a refund of the cash surrender value provided under the policy or contract plus the fees and other charges deducted from the gross premiums or considerations or imposed under the policy or contract. If notice is not provided in the policy or contract and is provided separately such as in the Important Notice, state how the notice is given and provide an example along with the policy or contract.
Entire Contract	631.11	The policy shall state what forms or documents constitute the entire contract.
Incorporation by Reference	631.13 & 632.93(4)	No policy, except for Fraternal contracts, may incorporate by reference, any provision or agreement that is not contained in the policy or in an application or other document attached to and a part of the policy.

<b>Policy Form Requirements</b>	<b>Reference</b>	<b>Comments</b>
Fraternal Contract	632.93(1)	Fraternal ONLY – Policy must contain all sections of the laws of the fraternal which might result in the termination of coverage or the reduction of benefits. The policy shall also state that the policy, any riders, or endorsements attached to it, the laws of the fraternal, and the signed application constitute the entire agreement or contract with the policy owner.
Termination of Insurance Contracts	631.36	If included, any termination, nonrenewal, or renewal with altered terms provisions are subject to certain limitations and notice requirements.
Arbitration	631.20(1)(a) & 631.85	An insurance policy may contain provisions for independent appraisal and compulsory arbitration, subject to the provisions of 631.20. Form submissions containing such provisions will be deemed approved pursuant to s. 631.20(1)(a).
Limitations of Actions	631.83 & 893.43	If included, a provision limiting legal actions must allow at least 6 years for filing an action. No action may be brought against the insurer until at least 60 days after proof of loss has been furnished by an insurer.
Separation of Benefits	632.44(1)	Each benefit promised in the policy must be specified separately.
Notice and Proof of Loss	631.81	If included, any notice or proof of loss provision must not invalidate or reduce a claim provided notice is given as soon as reasonably possible and within 1 year after the time it was otherwise required by the policy, unless the insurer is prejudiced thereby, and it was reasonably possible to meet the time limit.
Grace Period	632.44(2)	Fixed premium policies must provide for a grace period of not less than 31 days for the payment of any premium due except the first. Fraternal contracts must provide a grace period of not less than one month or 30 days at the fraternal's option per 632.93(5). Contracts providing variable benefits shall instead contain a grace provision appropriate to the contract per 632.45(1)
Incontestability	632.46(1)	If included, such a provision must state that the policy may not be contested after it has been in force from the date of issue for 2 years during the lifetime of the annuitant.
Misstated Age or Sex	632.46(3)	If the age or sex of the insured has been stated incorrectly in the application for insurance, and the error has not previously been corrected, the amount payable under a policy is what the premium paid would have purchased at the correct age or sex.
Assignment	632.47(1)	No policy may restrict or limit an owner's ability to assign any rights under the policy except for an annuity contract that is subject to transferability restrictions under any federal or state tax, employee benefit or securities law.
Rights of Assignee and Beneficiary	632.47(2)	The rights of a beneficiary are subordinate to those of an assignee, except for a beneficiary that was designated as irrevocable prior to the assignment.
Loan Interest Rates	632.475(2)	A policy that provides for policy loans must include a provision stating whether the maximum loan interest rate is based on an adjustable maximum rate established from time to time by the insurer, or on a specified annual rate not exceeding 12%.
Loan Interest Rates	632.475(4) & (5)	If the maximum loan interest rate is an adjustable rate established by the insurer, the policy must include a provision setting forth the frequency at which the rate is to be determined. The rate shall be determined at least once every 12 months, but not more frequently than once in any 3-month period. No change may be less than 0.5% per year.
Designation of Beneficiary	632.48(1)	No policy may restrict a policyholder's right to designate or change a beneficiary unless the designation of beneficiary has been made irrevocable. Fraternal contracts may restrict designation of a beneficiary to any person permitted by the laws of the fraternal per 632.96.
Participating Policies	632.62(1)	Mutual and Fraternal insurers may issue only participating policies except for certain plans. Stock insurers may issue both participating and nonparticipating policies provided they have filed an agreement with OCI as required by Ins 2.02(4).

<b>Policy Form Requirements</b>	<b>Reference</b>	<b>Comments</b>
Participation Rights	632.62(2)	<u>Participating Policies ONLY</u> – Policy must contain a provision stating the policyholder’s right to participate annually in the company’s surplus accumulations.
Dividends	632.62(4)	<u>Participating Policies ONLY</u> – Policy may not defer dividends for more than one year. Dividends may be conditioned on the payment of the succeeding year’s premium only on the first and second anniversary of the policy.
Notice of Meetings	611.42(4)(b)	<u>Participating Policies ONLY</u> – Notice of the time and place of regular meetings or elections must be conspicuously printed in each policy.
Member Suspension and Expulsion	632.93(6)	<u>Fraternal ONLY</u> – If a fraternal’s laws provide for expulsion or suspension of a member for any reason other than nonpayment of premium policy rescission, the policy must contain a provision allowing the member the right to continue the policy by continuing to pay the required premium.
Maintenance of Reserves	614.19(3)	<u>Fraternal ONLY</u> – Policy must contain an assessment provision stating that if the financial position of the fraternal becomes impaired, the deficiency may be shared among all members of the fraternal, requiring the member to either pay the member’s share of the deficiency or assign or reduce benefits under the member’s policy.

**Additional Requirements for Individual Deferred Annuity Products (Except Variable Annuities)**

<b>Policy Form Requirements</b>	<b>Reference</b>	<b>Comments</b>
Paid-up Annuity Benefit	632.435(1)(a)	Policy shall provide a paid-up annuity upon cessation of considerations or written request of the contract owner.
Cash Surrender Benefit	632.435(1)(b)	If a contract provides for a lump sum settlement at maturity or at any other time, it shall provide a cash surrender benefit in lieu of any paid-up annuity benefit upon surrender of the contract at or prior to the commencement of any annuity payments.
Right to Defer Payment	632.435(1)(b)	Policy may include a statement that the company reserves the right to defer payment of any cash surrender benefit for a period not exceeding 6 months, if the company has received written approval from OCI of the deferral’s necessity and equitability to all policyholders.
Statement of Mortality Table and Interest Rates Used to Calculate Benefits	632.435(1)(c)	Policy must state the mortality table, if any, and interest rates used to calculate any minimum paid-up annuity, cash surrender or death benefits that are guaranteed under the contract, together with sufficient information to determine the amounts of such benefits.
Statement that Benefits Comply with Law	632.435(1)(d)	Policy must include a statement that any paid-up annuity, cash surrender or death benefits that may be available under the contract are not less than the minimum required by law; also, an explanation of the manner in which such benefits are altered by any additional amounts credited by the company to the contract, any policy loans, or any prior withdrawals from or partial surrenders of the contract.
Contract Termination if No Considerations are Received	632.435(1)(e)	A deferred annuity contract may state that if no considerations have been received for two years and as a result, the paid-up annuity benefit at maturity would be less than \$20 monthly, the company may terminate the contract by paying the cash surrender benefit.
Basis of Minimum Values	632.435(4)	The minimum nonforfeiture amount at or prior to the commencement of any annuity payments shall be equal to an accumulation value that is calculated as described in the referenced statute. The interest rate used to determine minimum nonforfeiture amounts may not exceed 3% or be lower than 1%. The rate shall apply for an initial period and may be redetermined for additional periods. If the contract allows for the rate to be redetermined, the method for determining the interest rate, the redetermined date, basis, and period shall be stated in the contract.

<b>Policy Form Requirements</b>	<b>Reference</b>	<b>Comments</b>
Paid-up Annuity Benefit	632.435(5)	The present value of any paid-up annuity benefit available under an annuity contract on the date annuity payments are to commence must be at least equal to the minimum nonforfeiture amount on that date. The present value must be computed using the mortality table, if any, and the interest rate or rates specified in the contract for determining the minimum paid-up annuity benefits guaranteed in the contract.
If Cash Surrender Benefits Available Under Contract	632.435(6)	Cash surrender benefits available prior to maturity, if provided by the contract, must not be less than the present value on the date of surrender, as computed in the referenced statute, nor less than the minimum nonforfeiture amount at that time. The death benefit under such contracts must be at least equal to the cash surrender benefit.
If Cash Surrender Benefits Not Available Under Contract	632.435(7)	For contracts that do not provide cash surrender benefits, the present value of any paid-up annuity benefit available as a nonforfeiture option at any time prior to maturity must not be less than the present value, as computed in the referenced statute. The present value of contracts that do not provide any death benefits prior to the start of annuity payments shall be calculated on the basis of the interest rate and mortality table specified in the contract for determining the maturity value of the paid-up annuity benefit but shall be not less than the minimum nonforfeiture amount at that time.
Maturity Date to be Used When Determining Values	632.435(8)	In determining the benefits calculated under (6) and (7), in contracts allowing for election of optional maturity dates, the maturity date shall be deemed to be the latest date for which election is permitted by the contract, but not later than the anniversary of the contract next following the annuitant's 70 <sup>th</sup> birthday or the 10 <sup>th</sup> anniversary of the contract, whichever is later.
Disclosure Required	632.435(9)	Any contract that does not provide cash surrender benefits or does not provide death benefits at least equal to the minimum nonforfeiture amount prior to the commencement of annuity payments shall include a prominent caption in the contract that such benefits are not provided.
Benefits at Times Other Than at Contract Anniversary	632.435(10)	Under a contract with fixed scheduled considerations, any paid-up annuity, cash surrender or death benefits available at any time other than on the contract anniversary must take into consideration the lapse of time and all payments of scheduled considerations.

**Additional requirements for variable annuity contracts**

<b>Policy Form Requirements</b>	<b>Reference</b>	<b>Comments</b>
Disclosure on First Page	632.45(1) & Ins 2.13(6)(a)	The first page of the contract must include a prominent statement that the benefits of the contract are on a variable basis and where in the contract the details of the variable provisions are found.
Disclosure of Variable Benefits	632.45(1) & Ins 2.13(6)(a)	The contract must contain a statement of the essential features of the procedure used to determine the amount of variable benefits, and a statement that the dollar amount may decrease or increase reflecting investment experience.
Appropriate Nonforfeiture Benefits	632.45(1)	The contract shall contain appropriate nonforfeiture benefits in lieu of those described in 632.435.
Grace Period	632.45(1) & Ins 2.13(6)(c)1	The contract must contain a grace period provision appropriate to the contract in lieu of those described in 632.44. Contracts requiring periodic, stipulated payments must contain a grace period of 30 days or one month. .
Disclosure of Amendment Rights	632.45(2)	The contract must state whether it may be amended as to investment policy, voting rights, and conduct of the business and affairs of any segregated account.

Policy Form Requirements	Reference	Comments
Reinstatement Rights	Ins 2.13(6)(c)2	Contracts requiring periodic stipulated payments must contain a 3-year reinstatement right. Modified Guaranteed Annuities must contain a one-year reinstatement right.
Options Available in the Event of Default in Payment	Ins 2.13(6)(c)3	Contracts requiring periodic stipulated payments must state the options available in the event of default in a payment, one of which must be an option to receive a paid-up annuity if the contract is not surrendered for cash.
Disclosure Required	Ins 2.13(6)(d)	Contracts must state the expense, mortality and investment increment factors that are used to compute the amount of variable benefits or other contractual payments or values. No annual net investment increment assumption may exceed 5%. To the extent that benefits may be affected by mortality results, the insurer must use the mortality factor from the 1983 Table A, or any modification of that table not having a higher mortality rate at any age.
Disclosure Required	Ins 2.13(8)(b)3	<u>Modified Guaranteed Annuities ONLY</u> . The contract must state the market-value adjustment formula used to determine nonforfeiture benefits. When submitting the policy form to OCI, an insurer must submit an actuarial statement of the basis for the market-value adjustment formula which states that the formula provides reasonable equity to both the contract holder and the insurer.
Other Requirements	Ins 2.13(8)(c)	<u>Modified Guaranteed Annuities ONLY</u> . Such contracts must comply with other requirements in determining any paid-up annuity, cash surrender or death benefits available under the contract as described in the referenced regulation.