



## INFORMATIONAL MEMORANDUM

OIR-15-08M

ISSUED

December 15, 2015

Florida Office of Insurance Regulation

Kevin M. McCarty, Commissioner

### INFORMATIONAL MEMORANDUM

#### TO ALL VARIABLE ANNUITY WRITERS AUTHORIZED TO DO BUSINESS IN FLORIDA MATURITY DATES, EXTENSION AND ANNUITIZATION

*The purpose of this memorandum is to clarify some apparent misconceptions regarding the ability to extend annuity contracts beyond their original maturity date following recent regulatory settlement agreements (RSAs).*

The Office has been made aware of instances where an annuity contract owner has received communication from an insurer as the maturity date of a contract is approaching that their only options were to either surrender the contract or annuitize the contract.

Under the provisions of the RSAs, insurers agreed to specific revisions to policies and procedures regarding the identification and disposal of annuity contracts. Nothing in the RSAs limits an insurer or annuity contract owner's options to only surrender the contract or annuitize the contract at the maturity date. Rather, an explicit requirement of the RSAs revised business practices allows for the extension of a maturity date upon affirmative request of the annuity contract owner.

The Office remains committed to ensuring the freedom of choice policy holders have long had with regard to planning their financial security, and does not believe that any component of the recent RSAs inhibits continuation of those choices.

Should you have any questions regarding the content of this memorandum, please contact Anoush Brangaccio, General Counsel at [Anoush.Brangaccio@flor.com](mailto:Anoush.Brangaccio@flor.com) or at (850) 413-4116.