

**QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE**

DEPARTMENT/AGENCY Arkansas Insurance Department
DIVISION Legal
DIVISION DIRECTOR Jim Brader
CONTACT PERSON Amanda Rose
ADDRESS 1 Commerce Way, Suite 102, Little Rock, AR 72202
PHONE NO. 2501-371-2820 **FAX NO.** 371-2639 **E-MAIL** amanda.rose@arkansas.gov
NAME OF PRESENTER AT COMMITTEE MEETING Amanda Rose
PRESENTER E-MAIL amanda.rose@arkansas.gov

INSTRUCTIONS

- A. Please make copies of this form for future use.**
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.**
- C. If you have a method of indexing your rules, please give the proposed citation after “Short Title of this Rule” below.**
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:**

**Donna K. Davis
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, AR 72201**

1. What is the short title of this rule? Rule 82 - Suitability in Annuity Transactions

2. What is the subject of the proposed rule? The suitability of annuity transactions for consumers.

3. Is this rule required to comply with a federal statute, rule, or regulation? Yes No
If yes, please provide the federal rule, regulation, and/or statute citation. n/a

4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes No
If yes, what is the effective date of the emergency rule? n/a

When does the emergency rule expire? n/a

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes No

5. Is this a new rule? Yes No
If yes, please provide a brief summary explaining the regulation. _____

Does this repeal an existing rule? Yes No
If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does. n/a

Is this an amendment to an existing rule? Yes No
If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. §§ 23-61-108, 23-66-207, and 23-66-307

7. What is the purpose of this proposed rule? Why is it necessary? This Proposed Amended Rule will update our existing Rule 82 regarding suitability in the sale of annuities to consumers. This amendment reflects the most current changes to the NAIC model regulation. The Rule is intended to provide guidance to producers to assist in determining the appropriateness of a specific annuity product for a particular consumer.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b). <https://insurance.arkansas.gov/pages/industry-regulation/legal/proposed-rules/>

9. Will a public hearing be held on this proposed rule? Yes No

If yes, please complete the following:

Date: TBA

Time: _____

Place: Arkansas Insurance Department

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

January 31, 2020 [tentative]

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

March 15, 2020

12. Do you expect this rule to be controversial? Yes No

If yes, please explain. n/a

13. Please give the names of persons, groups, or organizations that you expect to comment on these rules?
Please provide their position (for or against) if known.

n/a

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Insurance Department

DIVISION Legal

PERSON COMPLETING THIS STATEMENT Amanda Rose

TELEPHONE NO. 501-371-2828 **FAX NO.** 371-2639 **EMAIL:** amanda.rose@arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Rule 82 - Suitability in Annuity Transactions

- 1. Does this proposed, amended, or repealed rule have a financial impact? Yes No

- 2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes No

- 3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

If an agency is proposing a more costly rule, please state the following:

(a) How the additional benefits of the more costly rule justify its additional cost;
n/a

(b) The reason for adoption of the more costly rule;
n/a

(c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;
n/a

(d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.
n/a

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

(a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue n/a
Federal Funds n/a
Cash Funds n/a
Special Revenue n/a
Other (Identify) n/a

Next Fiscal Year

General Revenue n/a
Federal Funds n/a
Cash Funds n/a
Special Revenue n/a
Other (Identify) n/a

- (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
 - (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
 - (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
 - (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.