

117TH CONGRESS
1ST SESSION

H. R. 4865

To direct the Securities and Exchange Commission to revise any rules necessary to enable issuers of index-linked annuities to register on a form tailored specifically to registered index-linked annuities.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2021

Ms. ADAMS (for herself, Mr. PHILLIPS, and Mr. GONZALEZ of Ohio) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To direct the Securities and Exchange Commission to revise any rules necessary to enable issuers of index-linked annuities to register on a form tailored specifically to registered index-linked annuities.

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 “Registration for Index-
5 Linked Annuities Act”.

6 **SEC. 2. PARITY FOR REGISTERED INDEX-LINKED ANNU-**
7 **ITIES REGARDING REGISTRATION RULES.**

8 (a) **DEFINITIONS.**—In this section:

1 (1) INVESTMENT COMPANY.—The term “invest-
2 ment company” has the meaning given the term in
3 section 3 of the Investment Company Act of 1940
4 (15 U.S.C. 80a-3).

5 (2) MARKET VALUE ADJUSTMENT.—The term
6 “market value adjustment” means, with respect to a
7 registered index-linked annuity—

8 (A) an adjustment to the value of such an-
9 nuity based on calculations using a predeter-
10 mined formula; or

11 (B) a change in interest rates (or other
12 factor, as determined by the Securities and Ex-
13 change Commission) that applies to such annu-
14 ity following an early withdrawal or contract
15 discontinuance.

16 (3) PURCHASER.—The term “purchaser”
17 means a purchaser of a registered index-linked an-
18 nuity.

19 (4) REGISTERED INDEX-LINKED ANNUITY.—
20 The term “registered index-linked annuity” means
21 an annuity that—

22 (A) is deemed a security;

23 (B) is required to be registered with the
24 Securities and Exchange Commission;

1 (C) is issued by an insurance company
2 that is subject to the supervision of the insur-
3 ance commissioner of the applicable State;

4 (D) is not issued by an investment com-
5 pany; and

6 (E) the returns of which—

7 (i) are based on the performance of a
8 specified benchmark index or rate; and

9 (ii) may be subject to a market value
10 adjustment if amounts are withdrawn prior
11 to the end of the period during which such
12 adjustment applies.

13 (5) SECURITY.—The term “security” has the
14 meaning given the term in section 2(a) of the Secu-
15 rities Act of 1933 (15 U.S.C. 77b(a)).

16 (b) REVISION TO RULES.—

17 (1) IN GENERAL.—Not later than 180 days
18 after the date of the enactment of this Act, the Se-
19 curities and Exchange Commission shall propose
20 and, not later than 18 months after the date of en-
21 actment of this Act, the Commission shall prepare
22 and finalize any new or amended rules, as appro-
23 priate, to establish a new form in accordance with
24 paragraph (2) on which an issuer of a registered
25 index-linked annuity may register such registered

1 index-linked annuity, subject to conditions the Com-
2 mission determines appropriate.

3 (2) DESIGN OF FORM.—In developing the form
4 to be established under paragraph (1), the Securities
5 and Exchange Commission shall—

6 (A) design such form to ensure that pur-
7 chaser using such form receive the information
8 necessary to make knowledgeable decisions, tak-
9 ing into account—

10 (i) the availability of information;

11 (ii) the knowledge and sophistication
12 of such purchasers;

13 (iii) the complexity of the registered
14 index-linked annuity; and

15 (iv) any other factors the Commission
16 determines appropriate; and

17 (B) engage in investor testing and incor-
18 porate the results of such testing in the design
19 of the form, with the goal of ensuring that key
20 information is conveyed in terms that a pur-
21 chaser is able to understand.

22 (c) TREATMENT IF REVISIONS NOT COMPLETED IN
23 A TIMELY MANNER.—If the Securities and Exchange
24 Commission fails to complete the revisions required by
25 subsection (b)(1) by the time required by such subsection,

1 any registered index-linked annuity may be registered on
2 the form described in section 239.17b of title 17, Code
3 of Federal Regulations. Such registration shall be pre-
4 pared pursuant to applicable provisions of the form.

5 (d) RULE OF CONSTRUCTION.—Nothing in this Act
6 shall be construed to—

7 (1) limit the authority of the Securities and Ex-
8 change Commission to determine the information to
9 be requested in the form described in subsection (b);
10 or

11 (2) preempt any State law, regulation, rule or
12 order.

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