## Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1	State of Arkansas	As Engrossed: H1/16/09	
2	87th General Assembly	A Bill	
3	Regular Session, 2009		HOUSE BILL 1100
4			
5	By: Representatives Kerr, Hyde	, R. Green, English, Woods	
6			
7			
8		For An Act To Be Entitled	
9	ACT TO REQUIRE THE DISCLOSURE AND RETENTION OF		
10	ILLUSTRATI	IONS USED TO MARKET LIFE INSURANCE	
11	POLICIES, ANNUITIES, AND PURE ENDOWMENT		
12	CONTRACTS;	; AND FOR OTHER PURPOSES.	
13			
14		Subtitle	
15	TO REQU	JIRE THE DISCLOSURE AND RETENTION	
16	OF ILLU	JSTRATIONS USED TO MARKET LIFE	
17	INSURANCE POLICIES, ANNUITIES, AND PURE		
18	ENDOWME	ENT CONTRACTS.	
19			
20			
21	BE IT ENACTED BY THE GEN	ERAL ASSEMBLY OF THE STATE OF ARKA	ANSAS:
22			
23	SECTION 1. Arkans	as Code Title 23, Chapter 81, Subo	chapter l is amended
24	to add an additional section to read as follows:		
25	23-81-137. Use an	d retention of illustrations used	to market life
26	insurance policies, annu	ities, and pure endowment contract	∑S∙
27	(a) As used in th	is section, "illustration" means a	a presentation or
28	depiction of the project	ed performance of a life insurance	e policy, an
29	annuity, or a pure endow	ment contract.	
30	(b) If an illustr	ation is used to market a life ins	surance policy, an
31	annuity, or a pure endow	ment contract, the illustration sh	nall:
32	(1) Include	a conspicuous presentation of the	guaranteed values
33	of the life insurance policy, annuity, or pure endowment contract;		
34	<u>(2)</u> Be prep	ared by an actuary who:	
35	<u>(A) I</u>	s a member in good standing with t	che American Academy
36	of Actuaries;		

1	(B) Certifies to the accuracy of the illustration based on		
2	the standard practice promulgated by the actuarial standards board; and		
3	(C) Certifies that the scale and interest rates used in		
4	the illustration conform to the actuarial standard of practice for complianc		
5	with the National Association of Insurance Commissioners model regulation of		
6	life insurance illustrations promulgated by the actuarial standards board;		
7	(3)(A) Be signed, dated, and certified by the applicant and the		
8	insurance producer or other authorized representative of the insurer.		
9	(B) The applicant shall certify that he or she has		
10	received a copy of the illustration and understands that any elements		
11	illustrated that are not guaranteed by the insurer are subject to change and		
12	could be either higher or lower than the projections contained in the		
13	illustration.		
14	(C) The insurance producer or other authorized		
15	representative of the insurer shall certify that the insurance producer or		
16	other authorized representative of the insurer has:		
17	(i) Identified and explained the guaranteed elements		
18	that are illustrated;		
19	(ii) Explained that any elements illustrated that		
20	are not guaranteed by the insurer are subject to change; and		
21	(iii) Made no statements that are inconsistent with		
22	the illustration;		
23	(4) Be delivered to the insurer and the applicant at the time a		
24	application for a life insurance policy, an annuity, or a pure endowment		
25	contract is submitted to the insurer; and		
26	(5) Be retained by the insurer and the insurance producer or		
27	other authorized representative of the insurer until three (3) years after		
28	the life insurance policy, the annuity, or the pure endowment contract is no		
29	longer in force.		
30	(c) A violation of this section is punishable under the Trade		
31	Practices Act, § 23-66-201 et seq.		
32			
33	/s/ Kerr		
34			
35			
36			