

Seniors win more protection with new annuity disclosure requirements

CA GOV - Department of Insurance

For Release: July 23, 2014 Media Calls Only: 916-492-3566 Seniors win more protection with new annuity disclosure requirements Bill sponsored by the Department of Insurance is signed into law SACRAMENTO, Calif. -

California Insurance Commissioner Dave Jones today thanked Governor Brown for signing into law AB 2347 (Gonzalez) which extends important consumer protection on annuity products that are commonly marketed to seniors.

The Commissioner also thanked Assemblymember Lorena Gonzalez for authoring AB 2347. The new law requires disclosure language on the front of the policy jacket or on the coversheet for an immediate annuity that aligns with the disclosure language already required for the more common deferred annuity products. Immediate annuities are purchased with a single lump-sum payment and pay a guaranteed income which starts almost immediately.

“The new disclosure requirements provide important consumer protections for seniors and those purchasing annuities,” said Insurance Commissioner Jones. “AB 2347 ensures consumers have the necessary information when considering these long-term investment products, which can tie-up a senior’s money for decades.

“Consumer protection and helping seniors avoid possible financial hardship is paramount to the mission of the Department of Insurance. Under this law those getting immediate annuities are guaranteed a 30-day free look period giving consumers time to ensure the product is right for them.

These changes will simplify and clarify disclosures and provide clarification to insurers which will assist them in their compliance efforts. Media Notes: AB-2347 Insurance policies, legislative Information The



California Department of Insurance, established in 1868, is the largest consumer protection agency in California, regulating the \$123 billion insurance marketplace.

In 2013 the California Department of Insurance received more than 170,000 calls from consumers and helped recover over \$63 million in claims and premiums. Please visit the Department of Insurance web site at www.insurance.ca.gov. Non-media inquiries should be directed to the Consumer Hotline at 800.927.HELP or 213.897.8921. Telecommunications Devices for the Deaf (TDD), please dial 800.482.4833.