

Illinois Department of Insurance  
320 West Washington Street  
Springfield, IL 62767-0001

**Individual Equity Indexed Annuity  
Review Requirements Checklist**  
Effective April 1, 2017

Company Name \_\_\_\_\_ Checklist Completed by \_\_\_\_\_  
SERFF Tracking Number \_\_\_\_\_ Date Checklist Completed \_\_\_\_\_  
Policy Form Number(s) \_\_\_\_\_

**TOI:** An appropriate Type of Insurance (TOI) must be selected for the SERFF filing. **Sub-TOI:** An appropriate Sub-TOI must be selected for the SERFF Filing.  
**FILING TYPE:** An appropriate Filing Type must be selected for the SERFF filing.

**Equity Indexed Annuities that also meets the definition of a Modified Guaranteed Annuity as outlined in 50 IL Adm. Code 1410.30 must have a completed Modified Guaranteed Annuity Review Requirements checklist included in the filing.**

50 IL Adm. Code 1410.30 defines a Modified Guaranteed Annuity (MGA) as “a fixed annuity, or a fixed portion of a combination annuity that is funded through the general account and provides for guaranteed values on specified dates or specified ages and with interim nonforfeiture values that are adjusted in accordance with an MVA.”

**The checklist must be completed to indicate where in the filing the General Filing requirements appear, must acknowledge each General Form Requirement and must indicate where, in the policy form, each required provision appears (e.g. page number and section number).**

This Interactive document must be completed and submitted in the SERFF filing. Alteration of this document will result in rejection of the filing.

**MINIMUM FILING REQUIREMENTS**

**This section must be completed to indicate the location of the requirement in the filing (e.g. Supporting Documentation tab)  
Any Requirement that is Not Applicable (N/A) must include an explanation.**

Minimum Filing Requirement	Reference	Description of Minimum Filing Requirement	Location of Requirement in Filing
FILING FEE(S)	215 ILCS 5/408 (jj) 50 IL Adm. Code 916.40 (g)	Filing Fees are \$50 per form. Filing fees must be paid by Electronic Funds Transfer through SERFF upon submission of the SERFF Filing.	

Minimum Filing Requirement	Reference	Description of Minimum Filing Requirement	Location of Requirement in Filing
CERTIFICATE OF COMPLIANCE	50 IL Adm. Code 916.40 (a), 916.50 (a)	Each company doing business in the State of Illinois shall submit with each filing a Certificate of Compliance, as described in Section 916.50 and Exhibit A. <a href="http://www.ilga.gov/commission/jcar/admincode/050/05000916ZZ9999aR.html">http://www.ilga.gov/commission/jcar/admincode/050/05000916ZZ9999aR.html</a>	
FILING DESCRIPTION OR LETTER OF SUBMISSION	50 IL Adm. Code 1405.20 (e)  50 IL Adm. Code 916.40 (b) (1)	The filing description or a letter of submission must generally describe the purpose of the form(s), how it will be issued (to existing contract holders, new issues on a go forward basis or both).	
STATEMENT OF VARIABILITY	215 ILCS 5/143	If the form includes variable bracketed language, a statement of variability must be included in the filing for informational purposes.	
ACTUARIAL MEMORANDUM	215 ILCS 5/143	An actuarial memorandum should be included, when applicable, to assist in review. The Actuarial Memorandum must state that the reserving methodology is in compliance with Actuarial Guideline 35. The actuarial memorandum should be sent as a separate schedule item under the Supporting Documentation tab and should be titled Actuarial Memorandum.  Schedule items containing actuarial memorandums are not marked for public access.	
ANNUITY FILING CHECKLIST	215 ILCS 5/229.4a  215 ILCS 5/143	Every annuity filing must include an Annuity Filing Checklist completed and signed by the insurer's actuary. This checklist may be found by <a href="http://insurance.illinois.gov/Regulatory_Filings/Checklist/AnnuityFilingChecklistforCompanies.pdf">clicking this link</a> . <a href="http://insurance.illinois.gov/Regulatory_Filings/Checklist/AnnuityFilingChecklistforCompanies.pdf">http://insurance.illinois.gov/Regulatory_Filings/Checklist/AnnuityFilingChecklistforCompanies.pdf</a>	
ADVERTISING MATERIAL	215 ILCS 5/143	The Division requires all advertising and marketing material for equity indexed annuity products be filed for information.  Newly developed material must be submitted prior to use and should be in as close to final print form as possible.  The material submitted should include forms used for illustration purposes and the underlying scenarios should be identified.	
ILLUSTRATIONS	215 ILCS 5/143	Insurers must provide four illustrations in their submission. They must provide the minimum guaranteed amount; an example of a poor result; an average result; and a favorable result. These illustrations must be easily comparable.  The Division also requires an illustration of the spread of the initial and guaranteed minimum participation rate.	

Minimum Filing Requirement	Reference	Description of Minimum Filing Requirement	Location of Requirement in Filing
DESCRIPTION OF THE PARTICIPATION RATE, CAP AND MARGIN	215 ILCS 5/143	The contract must contain a description of the participation rate (the amount of the increase in the index used to calculate index-linked interest), the upper limit (cap), floor (minimum index-linked interest), and margin (administrative fee). It must also contain the minimums and maximums for these values.	
CONTRACT RENEWAL/ SPREAD	215 ILCS 5/143	The advertising material must describe the contract renewal terms, the spread and what the options are at the end of the index term.	

**GENERAL FORM REQUIREMENTS**

**This section must be completed to indicate acknowledgement of the General Form Requirement (e.g. “yes”, “Comply”) Any Requirement that is Not Applicable (N/A) must include an explanation.**

General Form Requirement	Reference	Description of General Form Requirement	Acknowledge
FORM NUMBER	50 IL Adm. Code 1405.20 (b)	Each form must have a unique suitable form number of numerical digits and/or numbers located in the lower left hand corner of the form. The form number must adequately distinguish the form from all others used by the company.  The form number MAY NOT contain a prefix or suffix of "ICC".	
BLANK SPACES AND VARIABLE LANGUAGE	50 IL Adm. Code 1405.20 (d) (3)	All blank spaces must be completed in “John Doe” fashion with all variable language bracketed (variable) and completed with a sample of language that may appear within the brackets.	
CIVIL UNION	CB2011-06	Riders, Endorsements or Amendments that include language referencing Spouse, Marriage, etc. but do not include Civil Unions must provide an explanation in the filing as to how the company complies with the requirements of Illinois Religious Freedom Protection and Civil Union Act as outlined in Company Bulletin 2011-06.  A copy of any previously approved or filed Notice, Disclosure or Endorsement should be submitted under the supporting documentation tab of the filing.	
BASIC INTEREST CREDITING FEATURES	215 ILCS 5/143	It is the Department’s position that basic-interest crediting features are inherent elements of a contract and therefore must be included in the contract itself (not incorporated via endorsement, rider or amendment).	
STANDARD PROVISIONS FOR ANNUITIES	215 ILCS 5/226 215 ILCS 5/226(1)	The requirements of 215 ILCS 5/226 apply to all individual annuities fixed premium contracts except reversionary and survivorship annuities and annuities contracted by an employer on behalf of his/her employees.	

General Form Requirement	Reference	Description of General Form Requirement	Acknowledge
MINIMUM NON-FORFEITURE INTEREST RATES	215 ILCS 5/229.4a.(4)(B)	Under 215 ILCS 5/229.4a, the minimum nonforfeiture interest rate is a dynamic rate and is described in 215 ILCS 5/229.4a(4)(B).	
POLICY LOAN INTEREST RATES	215 ILCS 5/229.5 (b) (1), (2), (3)	Policy loan interest rates may be no more than 8% per annum or insurers may use an adjustable rate as permitted by law.	
ANNUAL REPORT	50 IL Adm. Code 1451.70 (a), (b) 215 ILCS 5/143	The insurer must provide, after the first contract year, an annual report that provides the annuitant with the number of shares and their dollar value, or the total value of the account.	
REPLACEMENT QUESTION	50 IL. Adm. Code 917.50, 917.70 and 1405.30 (f)	The application for an individual contract, unless exempted by 50 IL Adm. Code 917.50, must contain a replacement question designed to elicit information concerning whether the policy will replace any existing annuity contract.	

**REQUIRED PROVISIONS**

**This section must be completed to indicate the EXACT location of the required provision in the form (.e.g. Page 5, Section 3)  
Any Requirement that is Not Applicable (N/A) must include an explanation.**

Required Form Provision	Reference	Description of Required Provision	Page Number and Section in Form where Provision Appears
NAME AND ADDRESS REQUIRED	50 IL Adm. Code 1405.20 (c) (1),(2) 215 ILCS 5/143	The insurer name and home office address must appear on the form.	
APPROPRIATE DESCRIPTIVE TITLE	215 ILCS 5/143 50 IL Adm. Code 1405.40 (x) (1)	There must be a descriptive, appropriate and unambiguous title describing the form.	
ISSUE DATE	50 IL Adm. Code 1405.20 (c )(3)	The form must indicate the issue date and the effective date if different.	
FREE LOOK	215 ILCS 5/226 (1) (h)	The policy must contain a 10-day free look provision.	
PARTICIPATING CONTRACTS	215 ILCS 5/226 (1) (e)	If the contract is participating, there must be a provision explaining that the divisible surplus shall be apportioned annually and dividends shall be payable in cash or be applied to any stipulated payment or payments to the company under the contract.	
ENTIRE CONTRACT	215 ILCS 5/226 (1) (c)	The policy together with an endorsed application attached to the policy shall constitute the entire contract between the parties.	

Required Form Provision	Reference	Description of Required Provision	Page Number and Section in Form where Provision Appears
INCONTESTABLE PERIOD	215 ILCS 5/226 (1) (b)	The policy MUST be incontestable from the date of issue. (The ONLY exception is if the application is included as part of the policy and specifically asks health questions.)	
MISSTATEMENT OF AGE	215 ILCS 5/226 (1) (d), (2)	The policy must contain a provision that if a misstatement of age is found, the policy shall provide the amount payable under the contract as the stipulated payments to the insurer would have purchased at the correct age or ages.  Adjustments may be made for overpayments but may not exceed six (6) per centum per annum.	
GRACE PERIOD	215 ILCS 5/226 (1) (a)	The annuitant is entitled to a grace period of 30 days.	
BENEFITS AVAILABLE	215 ILCS 5/229.4a. (3) (A) (iv)	There must be a statement that any paid-up annuity, cash surrender or death benefit that may be available will not be less than the minimum benefit allowable in the state in which it is issued and include an explanation of the manner in which benefits are adjusted.	
CONTRACT IN FORCE THREE YEARS	215 ILCS 5/226 (1) (f) 215 ILCS 5/226 (3)	There must be a provision that after a contract has been in force for three years and lapses due to nonpayment of premium, the reserve shall be applied as a net single payment for the purchase of a paid-up annuity or a pure endowment contract. That contract may be nonparticipating, but will still be payable under the same terms and conditions as the original contract.	
LUMP SUM SETTLEMENTS	215 ILCS 5/229.4(a) (3) (A) (ii), (5), (6), (8) and (10)	If the contract provides for a lump sum settlement at maturity, or at any other time, the policy must contain a provision that insurer will pay a cash surrender benefit in place of a paid-up up annuity benefit.	
CASH SURRENDER VALUE	215 ILCS 5/229.4a.(9) 215 ILCS 5/229.4a.(2)	If the contract does not provide cash surrender benefits, or does not provide death benefits at least equal to the minimum non forfeiture amount prior to the annuity commencement date, it must include a statement on the face page, in bold type, that those benefits are not provided.	
6 MONTH DEFERRAL	215 ILCS 5/229.4a (3) (A) (ii)	The contract must contain a provision that payment of cash surrenders may be delayed for a period not to exceed 6 months based upon a written request and approval from the Director.	
PAID-UP ANNUITY	215 ILCS 5/229.4a. (3) (A) (i), (5), (6), (7), (8) & (10)	The policy must contain a provision that when payment of consideration ceases the insurer will issue a paid-up annuity as provided.	

Required Form Provision	Reference	Description of Required Provision	Page Number and Section in Form where Provision Appears
LIFETIME SETTLEMENT OPTIONS	215 ILCS 5/226.1 215 ILCS 5/143	Lifetime settlement options are required. The only exception is contracts issued without life contingencies pursuant to 215 ILCS 5/226.1.  The application may reflect the option if the policy does not.	
MORTALITY TABLE	215 ILCS 5/229.4(a) (3) (A) (iii)	There must be a statement regarding the mortality table, if any, and interest rates used in calculating any minimum paid-up annuity, cash surrender or death benefits guaranteed under the contract. Sufficient information must be included to determine the amount of the benefits.	
CASH VALUE TABLES	50 IL Adm. Code 1405.70 (e) (1) 215 ILCS 5/229.4a, (2)	The policyholder must be made aware of the amount of the annuity purchased, either by including a table of the values in the contract, or by specifying therein that notices of the current or other values will be sent to the policyholder upon request.	
REINSTATEMENT	215 ILCS 5/226 (1) (g) 50 IL Adm. Code 1405.70 (f)	There must be a provision that at any time within one year from the date of default, the contract may be reinstated upon payment of overdue payments and any indebtedness plus interest to the insurer.  Reinstatement may not occur if the cash value has been paid. The contract may include a statement of the basis for determining the date as of which the amount to cover the overdue payments and indebtedness shall be applied to produce the values under the contract.  Evidence of insurability may not be required to reinstate an annuity benefit, but it may be required for any benefits supplemental thereto.	

**PROHIBITED PRACTICES AND PROCEEDURES**

**This section of the checklist must be completed to indicate acknowledgement of the Prohibited Practice or Procedure (e.g. “yes”, “Comply”) Any Requirement that is Not Applicable (N/A) must include an explanation.**

Prohibited Practice	Reference	Description of Prohibited Practice	Acknowledge
BASIC INTEREST CREDITING FEATURES	215 ILCS 5/143	Basic-interest crediting features are inherent features of a contract and therefore adding these features to a contract via endorsement and/or rider is considered ambiguous and is prohibited.  <b>An Index option may NOT be added to a contract via rider or endorsement if the contract to which it will be attached does not already contain the feature.</b>	

Prohibited Practice	Reference	Description of Prohibited Practice	Acknowledge
EXCESSIVE BRACKING	215 ILCS 5/143	Language may not be placed in brackets to avoid filing with this Department any future language changes.	
NO DISCRIMINATION ON LAWFUL TRAVEL	215 ILCS 5/236 (e)	No life company may discriminate in its underwriting or rating practices based on an insured's past lawful travel experiences.	

**IMPORTANT NOTICE**

**This Checklist does not include all of the requirements of Illinois laws, regulations or bulletins. Companies are responsible for reviewing Illinois laws, regulations and bulletins to ensure that forms are fully compliant before filing the forms with the Department of Insurance.**

<a href="#">Illinois Compiled Statutes Online</a>	<a href="#">Administrative Regulations Online</a>	<a href="#">Product Coding Matrix</a>
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