

117TH CONGRESS
1ST SESSION

S. 3198

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, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 4, 2021

Ms. SMITH (for herself and Mr. TILLIS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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, and for other purposes.

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”.

1 SEC. 2. PARITY FOR REGISTERED INDEX-LINKED ANNU-
2 ITIES REGARDING REGISTRATION RULES.

3 (a) DEFINITIONS.—In this section:

6 (2) INVESTMENT COMPANY.—The term “invest-
7 ment company” has the meaning given the term in
8 section 3 of the Investment Company Act of 1940
9 (15 U.S.C. 80a-3).

(A) an adjustment to the value of that annuity based on calculations using a predetermined formula; or

20 (4) PURCHASER.—The term “purchaser”
21 means a purchaser of a registered index-linked an-
22 nuity.

(A) that is deemed to be a security;

(B) that is required to be registered with
the Commission;

(D) that is not issued by an investment company; and

8 (E) the returns of which—

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

(6) SECURITY.—The term “security” has the meaning given the term in section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b(a)).

18 (b) RULES.—

1 a registered index-linked annuity may register that
2 registered index-linked annuity, subject to conditions
3 the Commission determines appropriate.

4 (2) DESIGN OF FORM.—In developing the form
5 to be established under paragraph (1), the Commis-
6 sion shall—

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

11 (i) the availability of information;
12 (ii) the knowledge and sophistication
13 of that class of purchasers;
14 (iii) the complexity of the registered
15 index-linked annuity; and
16 (iv) any other factor the Commission
17 determines appropriate;

18 (B) engage in investor testing; and

19 (C) incorporate the results of the testing
20 required under subparagraph (B) in the design
21 of the form, with the goal of ensuring that key
22 information is conveyed in terms that a pur-
23 chaser is able to understand.

24 (c) TREATMENT IF RULES NOT PREPARED AND FI-
25 NALIZED IN A TIMELY MANNER.—

1 (1) IN GENERAL.—If, as of the date that is 18
2 months after the date of enactment of this Act, the
3 Commission has failed to prepare and finalize the
4 rules required under subsection (b)(1), any reg-
5 istered index-linked annuity may be registered on
6 the form described in section 239.17b of title 17,
7 Code of Federal Regulations, or any successor regu-
8 lation.

9 (2) PREPARATION.—A registration described in
10 paragraph (1) shall be prepared pursuant to applica-
11 ble provisions of the form described in that para-
12 graph.

13 (d) RULES OF CONSTRUCTION.—Nothing in this sec-
14 tion may be construed to—

15 (1) limit the authority of the Commission to de-
16 termine the information to be requested in the form
17 described in subsection (b); or

18 (2) preempt any State law, regulation, rule, or
19 order.

