

117TH CONGRESS
2^D SESSION

S. 3198

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Registration for Index-
3 Linked Annuities Act”.

4 **SEC. 2. PARITY FOR REGISTERED INDEX-LINKED ANNU-**
5 **ITIES REGARDING REGISTRATION RULES.**

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

7 (1) **COMMISSION.**—The term “Commission”
8 means the Securities and Exchange Commission.

9 (2) **INVESTMENT COMPANY.**—The term “invest-
10 ment company” has the meaning given the term in
11 section 3 of the Investment Company Act of 1940
12 (15 U.S.C. 80a-3).

13 (3) **MARKET VALUE ADJUSTMENT.**—The term
14 “market value adjustment” means, with respect to a
15 registered index-linked annuity, after an early with-
16 drawal or contract discontinuance—

17 (A) an adjustment to the value of that an-
18 nuity based on calculations using a predeter-
19 mined formula; or

20 (B) a change in interest rates (or other
21 factor, as determined by the Commission) that
22 apply to that annuity.

23 (4) **PURCHASER.**—The term “purchaser”
24 means a purchaser of a registered index-linked an-
25 nuity.

1 (5) REGISTERED INDEX-LINKED ANNUITY.—

2 The term “registered index-linked annuity” means
3 an annuity—

4 (A) that is deemed to be a security;

5 (B) that is registered with the Commission
6 in accordance with section 5 of the Securities
7 Act of 1933 (15 U.S.C. 77e);

8 (C) that is issued by an insurance com-
9 pany that is subject to the supervision of—

10 (i) the insurance commissioner or
11 bank commissioner of any State; or

12 (ii) any agency or officer performing
13 like functions as a commissioner described
14 in clause (i);

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

17 (E) the returns of which—

18 (i) are based on the performance of a
19 specified benchmark index or rate (or a
20 registered exchange traded fund that seeks
21 to track the performance of a specified
22 benchmark index or rate); and

23 (ii) may be subject to a market value
24 adjustment if amounts are withdrawn be-

1 fore the end of the period during which
2 that market value adjustment applies.

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

6 (b) RULES.—

7 (1) IN GENERAL.—Not later than 180 days
8 after the date of enactment of this Act, the Commis-
9 sion shall propose, and, not later than 18 months
10 after the date of enactment of this Act, the Commis-
11 sion shall prepare and finalize, new or amended
12 rules, as appropriate, to establish a new form in ac-
13 cordance with paragraph (2) on which an issuer of
14 a registered index-linked annuity may register that
15 registered index-linked annuity, subject to conditions
16 the Commission determines appropriate, which may
17 include requiring the issuer to take the steps de-
18 scribed in section 240.12h-7(e) of title 17, Code of
19 Federal Regulations, or any successor regulation,
20 with respect to the registered index-linked annuity.

21 (2) DESIGN OF FORM.—In developing the form
22 required to be established under paragraph (1), the
23 Commission shall—

24 (A) design the form to ensure that a pur-
25 chaser using the form receives the information

1 necessary to make knowledgeable decisions, tak-
2 ing into account—

3 (i) the availability of information;

4 (ii) the knowledge and sophistication
5 of that class of purchasers;

6 (iii) the complexity of the registered
7 index-linked annuity; and

8 (iv) any other factor the Commission
9 determines appropriate;

10 (B) engage in investor testing; and

11 (C) incorporate the results of the testing
12 required under subparagraph (B) in the design
13 of the form, with the goal of ensuring that key
14 information is conveyed in terms that a pur-
15 chaser is able to understand.

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

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

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

5 (3) TERMINATION.—This subsection shall ter-
6minate upon the establishment by the Commission of
7 the form described in subsection (b).

8 (d) RULES OF CONSTRUCTION.—Nothing in this sec-
9tion may be construed to—

10 (1) limit the authority of the Commission to—

11 (A) determine the information to be re-
12quested in the form described in subsection (b);
13 or

14 (B) extend the eligibility for the form de-
15scribed in subsection (b) to a product that is
16similar to, but is not, a registered index-linked
17annuity; or

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

Passed the Senate December 6, 2022.

Attest:

Secretary.

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