

**Introduced by Senator Scott**

February 22, 2001

An act to amend Section 10506.5 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 467, as introduced, Scott. Life insurance.

Existing law provides for the licensing and regulation of life insurers by the Insurance Commissioner, and in that regard, authorizes a life insurer to deliver or issue for delivery variable contracts or riders to variable contracts containing guaranteed living benefits, as defined, under certain conditions.

This bill would make a nonsubstantive change in these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 10506.5 of the Insurance Code is  
2 amended to read:

3 10506.5. (a) For the purposes of this section, "guaranteed  
4 living benefit" means a benefit in a variable annuity or a variable  
5 life insurance contract providing that one or more benefit amounts  
6 available to a living contractholder, under specified conditions,  
7 will be enhanced should it fall below a given level, ~~in the absence~~  
8 ~~of the guaranteed living benefit.~~

9 (b) An insurer may deliver or issue for delivery contracts  
10 containing, or riders to variable contracts providing, guaranteed  
11 living benefits if all the following requirements are met:



- 1 (1) The insurer is authorized to deliver, or issue for delivery,  
2 variable insurance products in this state.
- 3 (2) The insurer meets the requirements of paragraph (1) of  
4 subdivision (d) of Section 10506.4.
- 5 (3) The commissioner has issued a bulletin setting forth the  
6 terms and conditions under which variable contracts containing or  
7 riders to variable contracts providing guaranteed living benefits  
8 may be issued or delivered in this state.
- 9 (4) The variable contract or rider meets the terms and  
10 conditions for guaranteed living benefits established by the  
11 commissioner and set forth in the bulletin described in paragraph  
12 (3) and the insurer desiring to issue the variable contract or rider  
13 has satisfied the requirements set forth in Section 2529 of Title 10  
14 of the California Code of Regulations.
- 15 (c) The bulletin described in paragraph (3) of subdivision (b)  
16 may include provisions covering requirements similar to those  
17 included in subdivision (f) of Section 10506.4. The bulletin shall  
18 have the same force and effect, and may be enforced by the  
19 commissioner to the same extent and degree as regulations issued  
20 by the commissioner until the time that the commissioner issues  
21 additional or amended regulations pertaining to guaranteed living  
22 benefits.
- 23 (d) An insurer may not deliver or issue for delivery variable  
24 contracts containing, or riders to variable contracts, providing  
25 guaranteed living benefits except pursuant to this section. No  
26 policy, contract, rider, or agreement that constitutes investment  
27 return assurance pursuant to Section 10203.10 or 10507, or  
28 guarantee pursuant to Section 10506.4, may be issued pursuant to  
29 this section.

