

AMENDED IN SENATE MAY 12, 1998

AMENDED IN SENATE APRIL 29, 1998

SENATE BILL

No. 1479

Introduced by Senator Lewis

February 3, 1998

An act to amend Section 10127.11 of the Insurance Code, relating to life insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1479, as amended, Lewis. Life insurance: disclosures.

Existing law requires every insurer and life agent offering for sale individual life insurance policies or individual annuity contracts that are initially delivered or issued for delivery to senior citizens with the use of nonpreprinted illustrations *or preprinted illustrations* of nonguaranteed values to include a notice containing certain disclosures. *Existing law requires preprinted policy illustrations to contain the notice printed on the illustration form itself.*

~~This bill would make that requirement applicable to variable life insurance policies rather than individual life insurance policies.~~

This bill would permit the notice to be on an attached cover sheet, or in the form of a contrasting color sticker placed on the front of the illustration.

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 10127.11 of the Insurance Code
2 is amended to read:

3 10127.11. Every insurer and life agent offering for sale
4 ~~variable~~ *individual* life insurance policies or individual
5 annuity contracts that are initially delivered or issued for
6 delivery to senior citizens in this state on and after
7 January 1, 1995, with the use of nonpreprinted
8 illustrations of nonguaranteed values shall disclose on
9 those illustrations or on an attached cover sheet, in bold
10 or underlined capitalized print, or in the form of a
11 contrasting color sticker, bright highlighter pen, or in any
12 manner that makes it more prominent than the
13 surrounding material, with at least one-half inch space on
14 all four sides, the following statement:

15
16 “THIS IS AN ILLUSTRATION ONLY. AN
17 ILLUSTRATION IS NOT INTENDED TO PREDICT
18 ACTUAL PERFORMANCE. INTEREST RATES,
19 DIVIDENDS, OR VALUES THAT ARE SET FORTH IN
20 THE ILLUSTRATION ARE NOT GUARANTEED,
21 EXCEPT FOR THOSE ITEMS CLEARLY LABELED
22 AS GUARANTEED.”

23
24 All preprinted policy illustrations shall contain this
25 notice in 12-point bold print with at least one-half inch
26 space on all four sides and shall be printed on the
27 illustration form itself *or on an attached cover sheet, or in*
28 *the form of a contrasting color sticker placed on the front*
29 *of the illustration.* All preprinted illustrations containing
30 nonguaranteed values shall show the columns of
31 guaranteed values in bold print. All other columns used
32 in the illustration shall be in standard print. “Values” as
33 used here includes cash value, surrender value, and death
34 benefit.

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