

HB 1563 - DIGEST

(SEE ALSO PROPOSED 1ST SUB)

Finds that consumers rely heavily on the insurance producers and insurers selling annuities for accurate, descriptive information when purchasing annuities and may be easily misled about the risks and benefits of the product being purchased.

Requires an annuity sold in Washington to be suitable to the age and financial situation of the owner. Purchasers are entitled to a clear written description of the annuity at the time of solicitation on a summary disclosure form adopted by rule of the insurance commissioner. Prior to issuing an annuity, the insurer must obtain sufficient information from the purchaser to verify the suitability of the proposed sale and to enable the prospective owner to make an informed purchase.