



AIG Annuities

Compliance Bulletin



Effective April 5, 2022

Arizona adopted NAIC Disclosure Model

Arizona has recently adopted changes to the National Association of Insurance Commissioners (“NAIC”) Annuity Disclosure Model Regulation. The purpose of The NAIC Annuity Disclosure Model Regulation (“NAIC Disclosure Model”) is to provide standards for the disclosure of certain minimum information about annuity contracts. The regulation specifies the minimum information which must be disclosed, the method for disclosing it and the use and content of illustrations, if used, in connection with the sale of annuity contracts. Arizona’s amendments in Arizona Administrative Code R20-6-212.02, adopts the Standards of Annuity Illustrations.

This bulletin discusses the updated requirements for annuity illustrations in Arizona as a result of the adopted regulation. For more information on your obligations under the NAIC Disclosure Model, please refer to the [Producer Sales Practices Manual](#), Section IX, Disclosures to Customers.

The information below outlines the changes to our process in order to comply with this Arizona amendment.

Fixed Index Annuity Illustration Requirements as of April 5, 2022 in Arizona

Illustration Requirement: In accordance with the amendments adopted in the NAIC Disclosure Model, Fixed Annuity Illustrations must provide at least 10 calendar years of historical

Software Updates: As of 4/5/2022, the illustration software will not allow for dynamic illustrations in Arizona for Index Annuity to be run with the volatility control indices (i.e. MLSB, PIMCO, etc.) due to less than 10 historical performance

Where available, the market indices (e.g. S&P 500) can be selected to utilize in the illustration generation.

Questions and Contact Information

If you need help obtaining a form or have questions about the AIG processes in place to ensure agents are in compliance with the NAIC Disclosure Model, please contact your agency to which you send your annuity business.

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