

# STATE OF NEBRASKA

## DEPARTMENT OF INSURANCE

**Ann M. Frohman**

Director



**Dave Heineman**  
Governor

May 12, 2010  
CB-56 (Amended)

### BULLETIN

#### SUBJECT: **REPLACEMENT OF LIFE INSURANCE AND ANNUITIES**

The purpose of amending Chapter 56 is to address the Department's concern over the ongoing confusion regarding the duties of replacing insurers to existing insurers as stated in Chapter 19 (Amended).

On October 1, 2008 Section 009.01B replaced Section 008.02B as providing the duties of Replacing Insurers.

Section 009.01B requires the replacing insurer to notify each existing insurer that may be affected by the proposed replacement within five (5) business days of the date the application indicating a replacement is received or when the replacement is identified if not indicated on the application.

Within five business days of the request from the existing insurer, the replacing insurer shall provide by mail the following information:

1. a copy of the available illustration or policy summary for the proposed policy (individual life), or
2. a copy of available disclosure document for the proposed contract (annuity).

Although a disclosure document is not defined in Chapter 19 (Amended), the Department would consider a prospectus or a ledger statement containing comparable data as sufficient disclosure documentation for the proposed annuity.

Failure to notify the existing insurer within five (5) business days of the date the application is received or when the replacement is identified if not indicated on the application, and/or failure to provide required documentation within five (5) business days of receiving a request from the existing insurer may be construed as a violation of the Unfair Insurance Trade Practices Act, Neb.Rev.Stat. §§44-1521 through 44-1535.

Any questions concerning the interpretation of Chapter 19 should be directed to the Department's Legal Division or the Life and Health Division.

Ann M. Frohman  
Director