



STATEMENT of SCOPE of a PROPOSED RULE

Regarding Section Ins 2.08, Wis. Adm. Code,
relating to retained asset accounts for life insurance death
benefit proceeds

- (a) A statement of the objective of the proposed rule:
- The purpose of the proposed rule is to provide life insurance beneficiaries with a clear disclosure of the rights and obligations of both the beneficiary and the insurer with respect to death benefits and retained asset accounts, including settlement options, services provided and costs associated with retained asset accounts, and tax implications.
- (b) A description of existing policies relevant to the rule and of new policies proposed to be included in the rule and an analysis of policy alternatives:
- Retained asset accounts have emerged as a highly visible issue in the settlement of life insurance claims. The accounts are designed to be a temporary repository of funds while a beneficiary considers available financial options. In the absence of clear disclosures the potential for misunderstanding as to the nature and operation of retained asset accounts is present. The proposed rule will facilitate the information available to consumers in order to make sound choices concerning disposition of life insurance proceeds.
- (c) A statement of the statutory authority for the rule:
- The statutory authority for this rule is ss. 601.41(3), 628.34 and 632.44(1), Stats.
- (d) An estimate of the amount of time that state employees will spend to develop the rule and a description of other resources necessary to develop the rule:
- 200 hours and no other resources are necessary
- (e) A summary and preliminary comparison of any existing or proposed federal regulation that is intended to address the activities to be regulated by this proposed rule:
- The office is unaware of any proposed or existing federal regulation that is intended to address the activities to be regulated by this proposed rule.
- (f) A description of all of the entities that will be affected by the rule:
- The proposed rule will affect insurers which offer life insurance products.

This Statement of Scope of a Proposed Rule is prepared under s. 227.135, Stats., and approved on September 28, 2010.

Sean Dilweg
Commissioner of Insurance