

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF THE PROPOSED, ) Docket No. 13-08  
REGULATION – CHAPTER 64 OF THE )  
WYOMING DEPARTMENT OF INSURANCE )  
RULES AND REGULATIONS – SUITABILITY )

STATEMENT OF PRINCIPAL REASONS FOR:

CREATION OF CHAPTER 64 OF WYOMING INSURANCE DEPARTMENT  
REGULATION GOVERNING SUITABILITY IN LIFE INSURANCE AND ANNUITY  
TRANSACTIONS

Specifically, this regulation is necessary because, life insurance and annuity purchases can have a significant impact on consumers, and may create a financial burden for many years if an inappropriate product is recommended and purchased. These types of financial products are increasing in complexity and are often accompanied by significant fees if the policy is surrendered before a stated period of time, typically eight or more years. This chapter is created to assist consumers with life insurance and annuity purchase decisions through full disclosure of the financial impact and an evaluation of the suitability of this type of investment. Product suitability is seen as a needed protection for Wyoming consumers, especially for a vulnerable and increasing population of senior citizens. The Department has experienced a growing number of requests for assistance following investment into products where the consumer did not fully understand. The standards proposed will bring Wyoming in line with the majority of state regulators requiring uniform disclosure for financial information on purchases that may have long lasting impacts on a consumer's financial plan.