**Section 1405.70 Annuities**

a) Group Variable Annuities

The applicable jurisdiction for group variable annuity contracts is the jurisdiction where the group master policy is delivered.

b) Fixed Dollar or Flexible Premium Individual Annuity Contracts – Options to Purchase Additional Annuity

If options for the purchase of additional annuity benefits are provided, including a flexible annuity plan, it must be made clear that the payments are considered "premiums" or purchase payments, rather than deposits, to distinguish annuity premiums from premiums placed in a Premium Deposit Reserve Account, as provided for by Section 240 of the Code.

c) Notice to Policyholder

1) The policyholder must be made aware of the amount of annuity purchased, either by including a table of values in the contract, or by specifying in the contract that notices of the current or other values will be sent to the policyholder upon request.

2) The charges, including but not limited to withdrawal and surrender charges, minimum guaranteed interest rates, and a statement of the mortality table to be used must be incorporated in the policy as provided for by Section 229.4a of the Code.

d) Reinstatement

Evidence of insurability may not be required in order to reinstate an annuity benefit. However, such evidence may be a requirement for reinstatement of any supplemental benefits that may be attached to an annuity contract.

e) An annuity contract must be incontestable from the date of issue unless it includes an application asking health questions, as provided for by Section 226(1)(b) of the Code.

(Source: Amended at 43 Ill. Reg. 3259, effective February 25, 2019)