

Press Release

SEC Proposes Tailored Registration Form for Offerings of Registered Index-Linked Annuities

Proposal would customize existing registration form and related processes currently used in connection with variable annuities

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Washington D.C., Sept. 29, 2023 — The Securities and Exchange Commission today proposed tailored disclosure requirements and offering processes for offerings of registered index-linked annuities (RILAs). The amendments would highlight key information about RILAs, allow insurance companies to conduct RILA offerings in the same way they conduct offerings of variable annuities, and enhance the investor protections that apply to RILA advertisements.

“Given the complexity and growing popularity of RILAs, it is important that investors receive the information they need – in plain English – to make informed investment decisions,” said SEC Chair Gary Gensler. “Implementing Congress’s mandate, today’s proposal would require RILAs to use a registration form tailored to their characteristics. This would improve the disclosure process for these complex products.”

RILAs are a kind of annuity contract insurance companies offer to retail investors in which an investor’s return is based at least in part on the performance of an index or other benchmark, over a set period of time. RILAs typically include complex features relating to their risks and economic trade-offs, including limits on both potential gains and losses. In the Consolidated Appropriations Act, 2023, Congress directed the Commission to conduct investor testing and to adopt a registration form for RILAs that is designed to ensure that purchasers receive the information necessary to make knowledgeable decisions.

The proposed amendments would build on the Commission’s existing disclosure framework for variable annuities – another kind of annuity – by establishing tailored disclosure requirements for RILAs. The proposal would also permit RILAs to use a summary prospectus framework that highlights key information for investors while making additional information available for investors who want it. The proposal’s approach to disclosure is informed by investor testing conducted in connection with the proposal. The proposal would also extend certain antifraud guidance to RILA advertisements and sales literature. Finally, the amendments would allow insurance companies to conduct RILA offerings in the same way they conduct offerings of variable annuities, which would provide efficiencies for insurance companies that offer both kinds of annuities and for the Commission in reviewing those filings and offerings.

The comment period for the proposal will remain open for 60 days after the date of publication on sec.gov or 30 days after publication in the Federal Register, whichever period is longer. In addition to seeking comment on the proposal, the Commission invites retail investors to provide feedback on annuities generally and RILAs in particular by submitting [a short Feedback Flyer](#).

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Related Materials

- [Proposed Rule](#)
- [Fact Sheet](#)
- [Retail Investor Feedback Flyer](#)
- [Investor Testing Report on RILAs](#)