# COMMONWEALTH OF MASSACHUSETTS
## Office of Consumer Affairs and Business Regulation
## DIVISION OF INSURANCE

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LINDARUTHARDT
COMMISSIONER OF INSURANCE


# BULLETIN No. 01-20

**TO: All Foreign and Domestic Life Insurers**

**FROM: Linda Ruthardt, Commissioner of Insurance**

**DATE: December 27, 2001**

**RE: Economic Growth and Tax Relief Reconciliation Act of 2001 Required Changes To Retirement Plans**

Included in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) were changes to certain types of retirement arrangements, including, but not limited to, individual retirement annuities, 403(b) and 457(b) plans. Among other provisions, EGTRRA changes the maximum compensation limit available in some products. The Massachusetts Division of Insurance (Division) understands that the federal Internal Revenue Service will be providing guidelines for the application of the requirements imposed by EGTRRA to insurance products. Until such time as those guidelines are provided by the IRS, the Division extends permission to insurers issuing affected products to operate based on a reasonable, good faith interpretation of the provisions of the new law beginning January 1, 2002.

In the event that any forms, which have been previously approved by the Division, must be modified to comply with federal requirements, the Division does not require insurers to re-file those forms. Rather, the Division requests that insurers take the following action:

1) Notify all contract holders of the changes being made to the contract;
2) Submit to the Division a list of those products, and of the corresponding contract forms, which the insurer believes will be affected by changes in federal requirements;
3) Certify to the Division that the changes made to the contracts comply with a reasonable, good faith interpretation of the changes in federal law, and that the changes do not violate any pertinent Massachusetts statutes or regulations; and

4) Wherever possible, submit to the Division any uniform language which will be utilized in the contract and which is necessitated by changes to federal requirements.

Once the IRS has published guidelines regarding the application of EGTRRA to insurance products, insurers shall submit to the Division an updated list of those products affected by changes implemented by EGTRRA. Furthermore, insurers shall re-certify to the Division that any additional changes made to previously approved contracts comply with federal law and do not violate pertinent Massachusetts statutes and regulations. Insurers shall make these submissions to the Division within a reasonable time of the publication by the IRS of the relevant guidelines.

The procedures provided in this Bulletin reflect an exception to the Division's usual filing procedures, and are intended to apply only to those contract modifications that are necessitated by the requirements of EGTRRA. All submissions made to the Division in response to this Bulletin should be mailed to the attention of Wayne Perkins, Director of Policy Form Review, One South Station, Boston, MA 02110-2208.

Any questions regarding this Bulletin should be directed to the Office of General Counsel at 617-521-7309.