

SEC proposes the use of shorter prospectuses for variable annuities

By Editorial Staff Thu, Nov 1, 2018

The Commission has requested public comment until February 15, 2019, on the proposed rule changes, as well as on hypothetical summary prospectus samples that it has published.



In a move long-sought by life insurers, the Securities and Exchange Commission is proposing to allow issuers of variable annuities and variable life insurance contracts to use “summary prospectuses” in making their required disclosures to the investing public.

A traditional prospectus can run to hundreds of pages of small print—and even smaller footnotes.

“This document would be a concise, reader-friendly summary of key facts about the contract. More-detailed information about the contract would be available online, and an investor also could choose to have that information delivered in paper or electronic format at no charge,” the SEC said in a [release](#) this week.

The Commission has requested public comment until February 15, 2019, on the proposed rule changes, as well as on hypothetical summary prospectus samples that it has published. The Commission has also published a Feedback Flier that it will use “to seek investor input about what improvements would make the summary prospectus easier to read and understand, and what information investors would like to see included,” the release said.

© 2018 RIJ Publishing LLC. All rights reserved.