

As Introduced

**130th General Assembly
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H. B. No. 512

Representative Hackett

Cosponsor: Representative Henne

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To enact section 9.911 of the Revised Code to require 1
the Department of Commerce to establish guidelines 2
for solicitation, access, and other requirements 3
for agents and brokers providing annuity contracts 4
and custodial accounts for employees of state 5
institutions of higher education. 6

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 9.911 of the Revised Code be enacted 7
to read as follows: 8

Sec. 9.911. (A) The department of commerce shall establish 9
guidelines regarding solicitation, access, and other requirements 10
for licensed agents and brokers with respect to annuity contracts 11
and custodial accounts for employees of state institutions of 12
higher education that are provided pursuant to section 9.90 of the 13
Revised Code. 14

(B) The department shall maintain a registry of licensed 15
agents and brokers who have agreed to the guidelines. 16

(C) The department shall maintain a registry of annuity 17
contracts and custodial accounts available to employees of state 18
institutions of higher education with the following information: 19

<u>(1) The type of product and product features offered under</u>	20
<u>the annuity contract or custodial account;</u>	21
<u>(2) All costs, fees, and charges that may be paid by an</u>	22
<u>employee under the annuity contract or custodial account</u>	23
<u>agreement;</u>	24
<u>(3) The financial strength and stability of the insurance</u>	25
<u>company or custodian, the nationally recognized ratings of any</u>	26
<u>mutual funds offered, and the experience of the insurance company</u>	27
<u>or custodian in offering products in the 403(b) market;</u>	28
<u>(4) All other administrative or customer services to be</u>	29
<u>provided, directly or indirectly, by the insurance company or</u>	30
<u>custodian, including a description of how those services will be</u>	31
<u>provided;</u>	32
<u>(5) Payments made to third parties related to endorsements,</u>	33
<u>marketing, or promoting the annuity or custodial account.</u>	34
<u>(D) The department shall remove from the registry created</u>	35
<u>under division (B) of this section any agent or broker who submits</u>	36
<u>materially inaccurate information to the department or whose</u>	37
<u>license is revoked. The department shall remove from the registry</u>	38
<u>created under division (C) of this section any annuity contracts</u>	39
<u>or custodial accounts of an insurance company or custodian that</u>	40
<u>submits materially inaccurate information to the department.</u>	41
<u>(E) An employee has the right to designate any agent or</u>	42
<u>broker listed on the registry created under division (B) of this</u>	43
<u>section and to purchase any annuity or custodial account listed on</u>	44
<u>the registry created under division (C) of this section.</u>	45
<u>(F) The state institution of higher education shall comply</u>	46
<u>with an employee's designation of agent or broker and arrange for</u>	47
<u>the purchase of such annuity or custodial account requested by the</u>	48
<u>employee.</u>	49

(G) No agent, broker, insurance company, or custodian may 50
transfer funds to any third party without the express consent of 51
the institution of higher education. 52

(H) This section applies only to annuity contracts and 53
custodial accounts procured pursuant to section 9.90 of the 54
Revised Code that meet the requirements of section 403(b) of the 55
Internal Revenue Code of 1954, 26 U.S.C. 403(b). 56