

31A-22-429 Producer's duties related to replacement of life insurance or annuity.

- (1) In connection with or as part of each application for life insurance or annuities, the applicant shall complete and the producer shall submit to the insurer the statements required by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, as to:
 - (a) whether the applicant has existing policies or contracts; and
 - (b) whether the proposed life insurance or annuity will replace, discontinue, or change an existing policy or contract.
- (2) If an applicant for life insurance or an annuity answers "yes" to the question regarding replacement, discontinuance, or change of an existing policy or contract referred to in Subsection (1), the producer shall present to the applicant, not later than at the time of taking the application, the notice regarding replacements in the form adopted by the commissioner by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, or other substantially similar document filed with the commissioner.
- (3)
 - (a) The notice described in Subsection (2) shall:
 - (i) list each existing policy or contract contemplated to be replaced, properly identified by name of insurer, the insured or annuitant, and policy or contract number if available; and
 - (ii) include a statement as to whether each policy or contract will be replaced or whether a policy will be used as a source of financing for the new policy or contract.
 - (b) If a policy or contract number has not been issued by the existing insurer, alternative identification, such as an application or receipt number, shall be listed.
- (4) In connection with a replacement transaction, the producer shall leave with the applicant by no later than at the time of policy or contract delivery the original or a copy of all printed sales material. With respect to electronically presented sales material, it shall be provided to the policy or contract holder in printed form no later than at the time of policy or contract delivery.
- (5) Except as provided in rule made by the commissioner in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in connection with a replacement transaction, the producer shall submit to the insurer to which an application for a policy or contract is presented:
 - (a) a copy of each document required by this section;
 - (b) a statement identifying any preprinted or electronically presented company approved sales materials used; and
 - (c) copies of any individualized sales materials, including any illustrations related to the specific policy or contract purchased.

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