

## SEC Again Delays Variable Annuity Summary Prospectus

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Once again, the SEC has delayed action on the variable annuity summary prospectus—this time, until March 2015. The SEC revealed the news, rather surreptitiously, in a submission to the Office of Management and Budget regarding the SEC's regulatory agenda. In a speech last March, Norm Champ, director of the SEC's Division of Investment Management, cheered the industry when he announced that the variable annuity summary was number four of eight Division priorities. The SEC then reported to Congress that it expected the Division to recommend rules to the Commission by October 1, 2013. Thereafter, the SEC delayed action for a year, reporting to Congress that it expected the staff's recommendation by October 1 of this year. So, the new March 2015 date is the second delay by the SEC. Neither the SEC nor the staff has explained the delays. However, when Champ made his announcement last March, he said the priorities had been created "in close consultation" with the Chairman and the Commissioners." One month later, Mary Jo White replaced Elisse B. Walter as SEC Chairman, and, five months later, Kara M. Stein and Michael S. Piwowar joined the Commission. So, of the five Commissioners who could have blessed Champ's priorities last March, three have left the Commission. In addition, the Commission is still struggling to meet mandates set by the Dodd-Frank and JOBS Acts. Congress has signaled the Commission that it should complete those mandates before addressing discretionary rules. Mutual funds have been able to use summary prospectuses since January 1, 2010. It took more than two years from the date of proposal to the date when funds could use them. At that rate, if the SEC proposes variable annuity summaries in March 2015, it would be April 2017 before insurers could use them.

## **Authored By**



Gary O. Cohen

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