

Insurance Products

Stradley Ronon's attorneys have extensive experience representing clients on insurance products and investment management matters before the Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA), as well as before state regulators. With former SEC and insurance company staff members, our insurance products practice brings an informed perspective to regulatory and enforcement matters, and the relevant knowledge and experience when it comes to understanding insurance products.

Working collaboratively with attorneys from our firm's other core practice areas, we provide full-service coverage regarding investment adviser, tax, ERISA, private placement and hedge fund regulation to the wide variety of entities involved in the issuance and distribution of variable and other registered and unregistered insurance products. Our insurance products practice attorneys analyze and advise on the many federal and state securities laws regulating financial services firms and their products, and provide guidance on compliance. Additionally, our attorneys have been instrumental in identifying and helping our clients attain exclusions from various provisions of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940 and the Commodity Exchange Act. We have also assisted clients in identifying and obtaining novel and routine relief from regulation through the exemptive application or no-action letter process.

ANNUITY, LIFE INSURANCE & SPECIALIZED CONTRACTS

Stradley Ronon's attorneys have earned national reputations for excellence in the area of annuity and life insurance products regulation. We have extensive experience with the design, marketing, sale and regulation of variable annuities and variable life insurance products; individual and group annuities; contingent deferred annuities; fixed index annuities; index-linked annuities; market-value-adjusted products; COLI/BOLI; funding agreements; stable-value wrap contracts; and other innovative products.

Our group works closely with clients, helping them comply with all aspects of federal and selected state regulations that apply when bringing an insurance product to market. We are particularly adept at advising on unique product design.

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YOUR ISSUES & OUR SOLUTIONS

Attorneys in our insurance products practice are recognized for their ability to advise and assist in all facets of an insurance company's operations, including those of related entities and personnel, such as investment advisers, broker-dealers and administrative service organizations. From evaluating a client's strategies on forming or distributing an insurance product to assisting with transactions, we work with our clients at each stage of a product's life cycle. We assist clients by:

- Recommending and advising on product design, marketing, licensing and protection strategies.
- Identifying potential issues affecting clients' products or processes including concerns of the SEC's Division of Economic and Risk Analysis and those relating to the Investment Advisers Act of 1940.
- Advising on securities law-based provisions of contracts and policy forms.
- Determining public and private offering status.
- Determining the status of contracts under the

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securities laws, including the classification of a contract for purposes of registration filing requirements and limitations.

- Preparing exemptive applications and no-action letters, and shepherding them through regulatory channels.
- Advising on potential issues and addressing concerns raised by the SEC's Office of Compliance and Inspections, as well as the Risk and Examinations Office's analytical activities.
- Addressing complex tax issues arising in product design, and also formation and operation of separate accounts and underlying funds, including those formed under Internal Revenue Code Sections 817(d) and (h), and the tax implications of other product elements for insurance companies and investors.
- Counseling on ERISA compliance.
- Advising on underlying fund relationships, including access to exchange-traded funds and specialized agreements such as participation agreements.
- Addressing Securities Exchange Act of 1934 issues, including principal underwriter concerns.
- Advising on sales practices and other marketing activities regulated by the SEC and FINRA.
- Offering guidance on distribution channel issues and agreements with broker-dealers, independent marketing organizations, state licensed producers, general agents and insurance underwriters.
- Advising on suitability of offering and replacement of contracts requirements.
- Advising on and preparing documentation for mergers and acquisitions of insurance companies.
- Assisting in negotiating and drafting reinsurance agreements.
- Addressing U.S. Commodity Futures Trading Commission issues.
- Developing Rule 38a-1 compliance programs for insurance company separate accounts and underlying funds.
- Counseling on compliance with anti-money laundering and Office of Foreign Assets Control regulations.
- Advising on and obtaining intellectual property protection for novel processes and features.
- Representing clients in SEC or other enforcement actions.

Stradley Ronon actively assists clients in responding to the changing investment environment and its impact on insurance product designs and regulation, including sweeping SEC initiatives. We have worked with insurance company and underlying fund clients, chief compliance officers and underlying fund boards to address crucial issues as they arise, including:

- Monitoring National Association of Insurance Commissioners' regulatory initiatives through participation in committee and subgroup industry conference calls.
- Drafting, revising, implementing and testing compliance policies and procedures adopted under the SEC rules.
- Counseling on routine and novel disclosure issues, including the use of specialized algorithms for computing contract values.
- Counseling on tailored risk management processes.

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