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State agencies create Alabama Annuities Task Force

Annuity sales to Alabamians will come under closer scrutiny from a new task force created by Insurance Commissioner Walter A. Bell, Securities Commission Director Joseph P. Borg and Attorney General Troy King.

The Alabama Annuities Task Force (AATF) will work jointly on investigations of annuity sales, particularly as they apply to the suitability of the products sold to Alabama consumers. To complete the regulatory circle, Commissioner Bell and Director Borg invited Attorney General King and his staff to join the Task Force.

"Our agencies have always worked together closely, and the Alabama Annuities Task Force provides us another opportunity to work together with greater efficiency. The area of annuity sales is a major intersection in the regulatory paths of the Department of Insurance and the Securities Commission," Commissioner Bell, Director Borg and Attorney General King said today in a joint statement.

"With a variety of new and existing complex products in the marketplace, there are likely to be an array of issues, questions and opportunities for fraud. A major issue that both regulatory agencies are facing is one of suitability. By this we mean, who should buy this product? Equally as important, who shouldn't? It makes sense for our agencies to work side by side in the defense of Alabama consumers. Annuities are complex products and most consumers are at a disadvantage when it comes to understanding complicated financial products."

The investigative and legal staffs of both agencies will comprise the working unit of the AATF, meeting regularly to monitor complaints, coordinate investigations, and pursue those who are operating outside of Alabama law.

"This will help solidify a lot of the work going on between our agencies," Securities Director Borg said. "By establishing the Alabama Annuities Task Force, we can be more effective in protecting the interests of Alabama consumers by keeping each other aware of what is happening in the marketplace."

"There will be issues and complaints that come before us that are better suited for the Insurance Department, and there are some that are better suited for the Securities Commission. We will make sure that the right agency is taking the lead on each case by coordinating our efforts."

(more)

Attorney General King acknowledged his agency may be asked to handle referred cases from the other agencies.

“Alabama citizens, particularly our seniors, will benefit from this collaborative effort,” Attorney General King said. “Commissioner Bell and Director Borg have rightly determined that some cases will follow a regulatory path, while others may need to be pursued in criminal court.”

Commissioner Bell called the Task Force a logical next step beyond current coordination efforts.

“The mission for all of our agencies is the same: consumer protection,” Commissioner Bell said. “Every day, our staffs come to work with the protection of 4.5 million Alabamians in mind. When it comes to annuities, both the Insurance Department and the Securities Commissioner have some regulatory responsibility. The Attorney General’s Office will help us close the circle around those who are not acting in the best interest of Alabamians. The best way for our agencies to serve Alabama families is for us to work together.”

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*** The Alabama Department of Insurance can be contacted by telephone at 334-269-3550 or 800-433-3966, or through its website, www.aldoi.gov.

*** The Alabama Securities Commission can be contacted by telephone at 334-242-2984 or 800-222-1253, or through its website, www.asc.state.al.us.

*** The Attorney General’s Consumer Affairs Division can be contact by telephone at 334-242-7335 or 800-392-5658, or through the Attorney General’s website, www.ago.state.al.us.

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