



# STATE OF MINNESOTA

## Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

April 30, 2012

The Honorable Kurt Zellers  
Speaker of the House  
Room 463, State Office Building  
100 Rev. Dr. Martin Luther King, Jr. Blvd.  
St. Paul, Minnesota 55155

Dear Mr. Speaker:

I have vetoed and am returning Chapter 261, House File 1134, a bill relating to annuity products regulation. This bill does not provide the necessary protections for senior citizens and accountability for insurance companies in the sale of long-term deferred annuities with substantial surrender penalties.

In our letter dated April 13<sup>th</sup>, 2012, the Attorney General and I stated:

“For over 25 years, Minnesota has had a suitability law that applies to the sale of long-term fixed annuities with substantial surrender charges. Current law provides, without exception, that both insurance agents and the insurance company issuing a given annuity policy must make sure that the policy is suitable for a particular individual’s situation before completing a sale. A variety of Commissioners and Attorneys General have long used this law to protect senior citizens from abusive sales practices.”

This bill would undermine those protections. I made it very clear to the bill’s authors and interested parties that I would not support this legislation unless it: (1) required meaningful, independent, elevated review by insurance companies of the suitability of long-term deferred annuities for seniors in certain circumstances; and (2) limited the FINRA exemption, which would provide a huge loophole for insurers regarding annuities sold by a securities broker to senior citizens.

Absent those changes, which are essential to providing strong protection to Minnesota’s Senior Citizens, I cannot support this legislation. I have, therefore, vetoed it.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Dayton".

Mark Dayton  
Governor

cc: Attorney General Lori Swanson  
Senator Michelle L. Fischbach, President of the Senate  
Senator David H. Senjem, Senate Majority Leader  
Senator Thomas M. Bakk, Senate Minority Leader  
Senator Roger Chamberlain  
Representative Paul Thissen, House Minority Leader  
Representative Joe Hoppe  
The Honorable Mark Ritchie, Secretary of State  
Mr. Cal R. Ludeman, Secretary of the Senate  
Mr. Albin A. Mathiowetz, Chief Clerk of the House of Representatives