

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.4073 Annuity policy or contract; notice of right to cancel and receive refund; effect of returning policy or contract; variable annuity contract; exceptions.

Sec. 4073.

(1) Subject to subsection (2), an annuity contract shall not be delivered or issued for delivery in this state unless the contract contains on the front page a notice, in substance printed or stamped made as a permanent part of the policy, that during a period of not less than 10 days after the date the policyholder receives the policy, the policyholder may cancel the policy and receive from the insurer a prompt refund of any premium paid for the policy, including a policy fee or other charge, by mailing or otherwise surrendering the policy to the insurer together with a written request for cancellation. If a policyholder or purchaser pursuant to the notice, returns the policy or contract to the company or association at its home or branch office or to the agent through whom it was purchased, it is void from the beginning and the parties are in the same position as if no policy or contract had been issued.

(2) For a variable annuity contract, the refund under subsection (1) shall equal the sum of the following:

(a) The difference between the premiums paid, including any policy or contract fees or other charges, and the amounts allocated to any separate accounts under the policy or contract.

(b) The value of the amounts allocated to any separate accounts under the policy or contract on the date the returned policy is received by the insurer or its insurance producer.

(3) This section does not apply to policies or contracts issued to an employee in connection with the funding of a pension, annuity or profit-sharing plan, qualified or exempt under section 401, 403, 404, or 501 of the internal revenue code of 1986, 26 USC 401, 403, 404, and 501 if participation in the plan is a condition of employment.

History: Add. 1980, Act 58, Eff. Oct. 1, 1980 ;-- Am. 2014, Act 143, Eff. Mar. 31, 2015

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