

Sponsor Statement
House Bill 121

“An Act relating to the issuance of qualified charitable gift annuities.”

Charitable gift annuities can be an important way for charities to raise funds. If a donor wishes to make a charitable gift but also wants to reserve income for the future, gift annuities provide a legal contract between charity and donor (so in exchange for a donor making a gift, the charity provides an annuity to the donor).

Based on model legislation developed by the National Association of Insurance Commissioners, House Bill 121 defines and clarifies a charitable gift annuity, states that gift annuities are not insurance, provides minimum unrestricted cash requirements, and sets out specific requirements for the issuance of gift annuities. The Act protects both donors and charities by providing that notice be given to donors and provides that organizations notify the Division of Insurance when entering into their first qualified charitable gift annuity.

The model legislation has been successfully passed in over 30 states and has been approved by the American Council of Gift Annuities and the National Council of Planned Giving. I urge your considered and favorable support.