



Office of Commissioner of Insurance and Safety Fire

Protect | Enforce | Educate | Inform

JOHN F. KING
*Commissioner of Insurance
and Safety Fire*

Two Martin Luther King Jr. Drive
West Tower, Suite 702
Atlanta, Georgia 30334

TO: All Registered Charitable Gift Annuities

RE: Registration Requirements

33-58-1. Definitions.

As used in this chapter, the term:

(1) "Charitable gift annuity" means a transfer of cash or other property by a donor to a charitable organization in return for an annuity payable over one or two lives, under which the actuarial value of the annuity is less than the value of the cash or other property transferred and the difference in value constitutes a charitable deduction for federal tax purposes.

(2) "Charitable organization" means an entity described by:

(A) Section 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. Section 501(c)(3)); or

(B) Section 170(c), Internal Revenue Code of 1986 (26 U.S.C. Section 170(c)).

(3) "Qualified charitable gift annuity" means a charitable gift annuity described in Section 501(m)(5), Internal Revenue Code of 1986 (26 U.S.C. Section 501(m)(5)), and Section 514(c)(5), Internal Revenue Code of 1986 (26 U.S.C. Section 514(c)(5)), that is issued by a charitable organization that on the date of the annuity agreement:

(A) Has a minimum of \$300,000.00 in unrestricted cash, cash equivalents, or publicly traded securities, exclusive of the assets funding the annuity agreement; and

(B) Has been in continuous operation for at least three years or is a successor or affiliate of a charitable organization that has been in continuous operation for at least three years.

33-58-2. Qualified charitable gift annuities.

(a) The issuance of a qualified charitable gift annuity does not constitute engaging in the business of insurance in this state.

(b) A charitable gift annuity issued before July 1, 2000, is a qualified charitable gift annuity for purposes of this chapter, and the issuance of that charitable gift annuity does not constitute engaging in the business of insurance in this state.

33-58-3. Agreement for annuity; notice.

(a) When entering into an agreement for a qualified charitable gift annuity, the charitable organization shall disclose to the donor in writing in the annuity agreement that a qualified charitable gift annuity is not insurance under the laws of this state and is not subject to regulation by the Commissioner of Insurance or protected by an insurance guaranty association.

(b) The notice provisions required by this Code section must be in a separate paragraph in a print size no smaller than that employed in the annuity agreement generally.

33-58-4. Notice of annuity to Commissioner.

(a) A charitable organization that issues qualified charitable gift annuities shall notify the Commissioner in writing by the later of October 1, 2000, or the date on which it enters into the organization's first qualified charitable gift annuity agreement. The notice shall:

- (1) Be signed by an officer or director of the organization;
- (2) Identify the organization; and
- (3) Certify that:
 - (A) The organization is a charitable organization; and
 - (B) The annuities issued by the organization are qualified charitable gift annuities.

(b) The charitable organization shall not be required to submit additional information except to determine appropriate penalties that may be applicable under Code [Section 33-58-5](#).

33-58-5. Failure to comply with notice.

The failure of a charitable organization to comply with the notice requirements imposed under Code [Section 33-58-3](#) or Code [Section 33-58-4](#) does not prevent a charitable gift annuity that otherwise meets the requirements of this chapter from constituting a qualified charitable gift annuity. The Commissioner may enforce performance of the requirements of Code [Section 33-58-3](#) or Code [Section 33-58-4](#) by sending a letter by certified mail, or statutory overnight delivery, return receipt requested, demanding that the charitable organization comply with the requirements of such Code sections. The Commissioner may fine the charitable organization in an amount not to exceed \$1,000.00 per qualified charitable gift annuity agreement issued until such time as the charitable organization complies with such Code sections.

In order to maintain and update the registration, audited financial statement must be submitted every year. The information should be returned to my attention by December 31 of every year along with form GID-276-EN Citizenship Affidavit, and with the verification, to the company portal.

Our department implemented a process that allows Limited Risk Entities to file their annual renewal packet electronic ally using our company portal. The company portal is the primary vehicle our department uses to send out information to companies such as directives and bulletins. Also, companies can use the portal to update contact information and many other functions. You have to determine who you want as company portal administrators, please send the information as an email attachment to my attention at LimitedRisk@oci.ga.gov .

Once we have received that information, we will set-up the account and the persons you have listed as company portal administrators will receive an email that will grant them temporary access to the portal. The information is needed for setting up an account:

- On your company's letterhead
- The name of the licensed company
- The license number of the company
- The name of the administrators, including phone numbers and email addresses
- The letter must be signed by an officer or director

If you have any questions, please email me at LimitedRisk@oci.ga.gov.