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Degree of Regulation: Charitable gift annuities are exempt from insurance regulation under New Jersey State Statutes Annotated Section 17B:17-13.1. To qualify for exemption, a charity must have been in continuous operation for at least ten years. A segregated reserve fund is required with a board resolution.

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Notification/Contact with State Regulators: Application for certificate of exemption is to be made to the State Insurance Department prior to issuance of any gift annuity in the state.

Disclosure Language Required: None.

Further Details: The segregated annuity reserve fund charity must be invested according to the New Jersey Prudent Investor Act. An operations and investment plan for the reserve fund must be submitted with the application.

An annual report on the segregated reserve fund is due 120 days after the end of the calendar year, or 120 days after the end of the charity's fiscal year end if the charity has obtained permission to file on that basis. Permit holders using appropriate software, and having the technical expertise to calculate the required reserves, are no longer required to submit with the annual report a statement by an actuary as to the accuracy of the reserves. Instead, the charity would submit a certification from an officer stating the software being used and the person responsible for calculating the reserves and their qualifications.

The only specific requirements regarding the content of the annuity agreement is that New Jersey law must govern and there must be a form number that includes a "publication date" (the date on which the forms were submitted to the department of insurance for approval).

There is a \$100 application fee. In addition to registration with the insurance department, a charity must also provide proof of registration (or exemption from such registration) with the New Jersey Division of Revenue and the New Jersey Department of Law and Public Safety.

Pertinent State Regulations to review :

New Jersey Statutes Annotated Sec. 17B:17-13.1,

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New Jersey State Charitable Gift Annuity Page, Download Applications and forms
http://www.state.nj.us/dobi/division_insurance/charitableann.htm

New Jersey Insurance Department Contact Information:

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