

# SEC RULE 498A: Improve the investor experience and your bottom line

## CREATE AND PUBLISH NEW SUMMARY PROSPECTUSES

- Streamline the investor experience and increase engagement
- Lower expenses by reducing paper and postage costs
- Automate operations with easy-to-implement tools
- Outsource execution for maximum efficiency

## TURN COMPLIANCE INTO NEW OPPORTUNITY

SEC rule 498A stipulates that providers can replace lengthy contract prospectuses for variable annuity and variable life insurance products with intuitive prospectus summaries. Prospectus summaries are easier for investors to understand, increasing investor engagement and improving their experience. The new summary prospectuses can also reduce paper and postage costs.

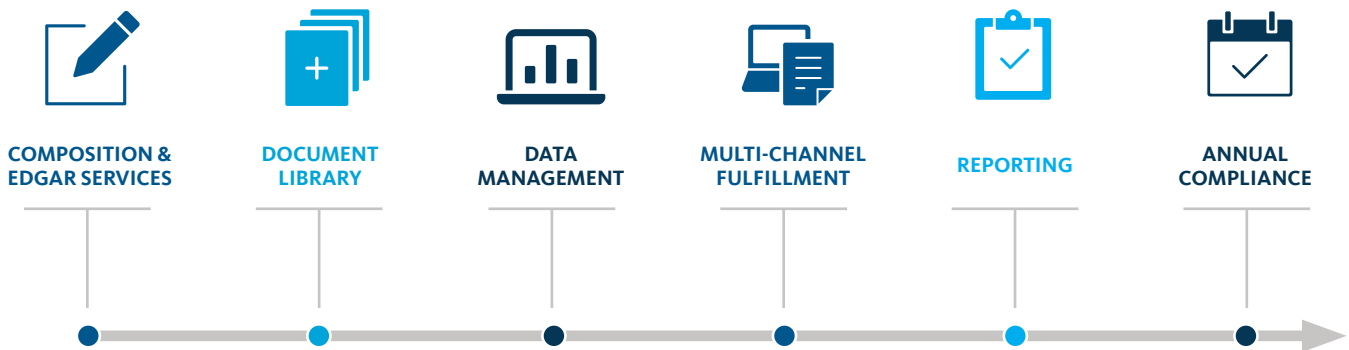
But executing on rule 498A involves a lot of moving parts. From data management to document creation to web presentment, providers need to manage the complicated process of linking and layering disclosures, and then posting online. Now you can capitalize on the Broadridge communications infrastructure to seamlessly create, manage and deliver 498A summary prospectuses.

### WHAT IS SEC RULE 498A?

#### Introducing summary contract prospectuses

On March 11, 2020, the SEC adopted new rule 498A along with related form and rule amendments 'to simplify and streamline disclosures for investors about variable annuities and variable life insurance contracts.' As of July 1, 2020, life insurers and annuity providers are permitted, but not required, to satisfy their prospectus delivery obligations under the Securities Act of 1933 by providing an initial summary prospectus to new investors ("ISP") and an updating summary prospectus to existing investors ("USP").

## EXPERIENCE THE VALUE OF SINGLE-SOURCE SIMPLICITY



## AUTOMATE MANAGEMENT OF PROSPECTUS CONTENT

Summary prospectuses will require providers to create new content as well as repurpose content from existing prospectuses. To maintain accuracy during that process, it's critical to keep track of every small detail. Let Broadridge help. Our unique automated publishing solution makes it easy to create, edit and repurpose information-sensitive materials. The key is breaking down content into small, reusable components, including sentences, paragraphs, data and tables. If you make an edit to a prospectus, it will automatically update all related regulatory documents. Save time and preserve accuracy at every step.

## OPTIMIZE OPERATIONS WITH INTELLIGENT BUSINESS RULES

Rule 498A allows you to send summary prospectuses to satisfy initial and ongoing delivery obligations. Our business rules engine makes it easy to synchronize regulatory fulfillment operations, enabling you to deliver the experience your investors expect. Our system uses trigger-based communications to send the right communication at the right time via the channel the investor prefers. Plus, automating routine operations enables you to maximize ongoing cost savings.

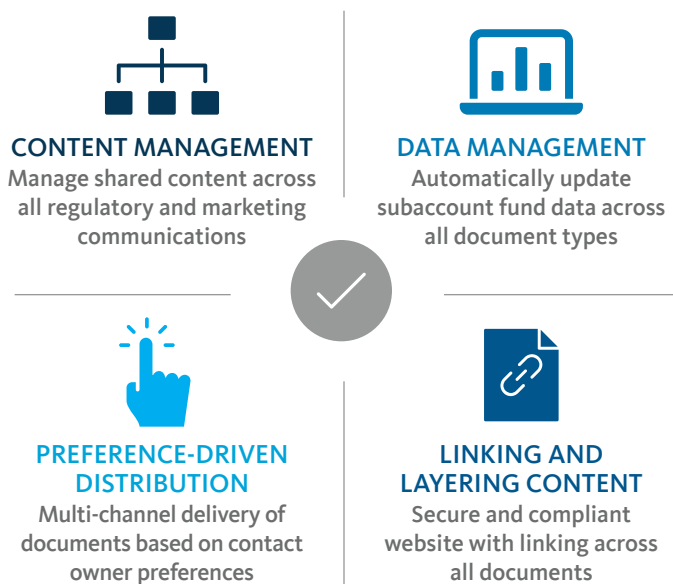
## STREAMLINE MANAGEMENT OF LAYERED CONTENT

Prospectus summaries use a "layered disclosure" approach, meaning issuers can send a concise, reader-friendly summary by mail or email, and offer greater details online. But you need a partner who can help with the complex process of linking—both to and within documents—as well as publish and host all the digital assets. To further augment the investor's experience, you need to ensure the website can be branded with your firm's identity. Our cloud-based, mobile-optimized web presentment platform gives you full control of all these steps, without the hassle.

## SIMPLIFY DISCLOSURES WITH INLINE XBRL

The rule also includes updates and enhancements to the registration forms for variable annuity and variable life insurance contracts, requiring Inline eXtensible Business Reporting Language ("Inline XBRL") for certain required disclosures. The new rules apply to all initial registration statements on Forms N-3, N-4 and N-6, as well as all post-effective amendments. Leverage our EDGAR typesetting and filing services to seamlessly manage every aspect of 498A disclosure compliance. Our database repository exports into stylized typeset, HTML, XBRL, print PDF, web PDF and MS Word. Automated functionality simplifies blacklining, repagination and TOC updates. Our web-accessed solution enables multiple users to collaborate to create, edit, approve and publish documents—providing complete control at every step.

### SEC RULE 498A CHECKLIST



Talk to us.

**WE CAN HELP YOU LOWER COSTS WHILE DELIVERING THE EXPERIENCE INVESTORS EXPECT.**

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