



TheStandard®

## Producer Advisory

Date: October 14, 2009

To: Individual Annuities Department  
Producers Appointed to Sell Standard Insurance Company's Annuity Products  
in Washington

From: Bill Douglas, FLMI, FFSI, AIRC, AAPA, ACS, CCP  
Compliance Manager, Individual Annuities

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State: Washington

Bill: Senate Bill 5688

Effective: July 26, 2009

Subject: Domestic Partnerships

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### Purpose

Expands references to spouse, marriage, marital, husband, wife, widow, widower, next of kin and family to include and apply equally to state-registered domestic partnerships or individuals in a state-registered domestic partnership under state law.

### Summary

Washington has enacted Senate Bill 5688 relative to recognizing domestic partnerships and to provide all the rights, benefits, privileges and responsibilities under state law for domestic partners as for spouses in a marriage.

In summary:

- 1) Washington recognizes under state law domestic partnerships and has established a process whereby a domestic partnership may be created.
- 2) Under its law, Washington will recognize domestic partnerships entered into another state.
- 3) Washington does not have the jurisdiction to control the many federal laws that are intertwined with its laws or any of the associated privileges, immunities, rights, benefits and responsibilities.

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1100 SW Sixth Avenue  
Portland OR 97204  
tel 800.378.4578

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- 4) The Defense of Marriage Act (DOMA) provides that for purposes of federal law, the term “marriage” applies only to opposite-sex marriages and “spouse” means only an opposite-sex husband or wife.
  - 5) To ensure that an annuity is not disqualified as an annuity under federal law, the rights, privileges and protections specifically afforded to parties of a marriage under federal law and not mandated under state law are not to be afforded to domestic partners. Examples:
    - a) Providing a domestic partner the right to consent to his or her partner’s distribution.
    - b) Providing a domestic partner the right to consent to his or her partner’s designation to a non-spouse beneficiary.
    - c) Providing a domestic partner the right to consent to his or her partner’s taking out a policy/plan loan.
    - d) Paying benefits to a domestic partner under a domestic relations order.
    - e) Allowing a rollover of a deceased owner’s account balance of a qualified plan (e.g. 403(b), 401(k) or IRA), to an IRA with the surviving domestic partner as owner of the IRA.
    - f) Naming a domestic partner as beneficiary of a nonqualified plan and allowing him or her to continue as the policyowner upon the death of the owner.
  - 6) Washington is a community property state. Therefore, protections, rights and benefits afforded spouses under community property state law are also provided to domestic partners in the state of Washington.

### **Questions; Additional Information**

Thank you for your business and for ensuring that the products and operations of The Standard continue to comply with applicable laws, regulations and rules.

Our goal is to support and enable your sales goals in such a manner as to mitigate and eliminate any risk of compliance exposure.

Please feel free to contact me at 800.378.4578, ext. 7427 if you have any questions or need additional information regarding this Producer Advisory.