



TRANSMITTAL MEMORANDUM

TO: Insurance Compact Management Committee

FROM: Product Standards Committee

DATE: March 23, 2021

SUBJECT: Proposed Amendments to following Uniform Standards to change the effect of the December 2020 NAIC amendment to Section 4(B)(3) of Model 805: Individual Deferred Non-Variable Annuity Contract Standards; Core Standards for Individual Deferred Variable Annuity Contracts; Additional Standards for Market Value Adjustment Feature Provided Through the General Account; Additional Standards for Index-Linked Crediting feature for Deferred Non-Variable Annuities and the General Account Portion of Individual Deferred Variable Annuity Contracts; Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts

The Product Standards Committee (“PSC”) of the Interstate Insurance Product Regulation Commission (“Commission”) is charged with developing proposed drafts of new and Uniform Standards. The Commission asked the Product Standards Committee to address the amendment adopted by the NAIC Plenary in December 2021 to Section 4(B)(3) of Model 805 -- *Standard Nonforfeiture Law for Individual Deferred Annuities* and when it should become effective for purposes of the Uniform Standards. The PSC is proposing amendments to the Uniform Standards to indicate that the minimum nonforfeiture rate follow the provision based on each state’s statute in effect at the time a policy is issued.

The Product Standards Committee recommends amendments to the Uniform Standards referenced above. The Product Standards Committee held a public call on March 2, 2021, to receive comments on the draft amendments. There was one comment letter from the ACLI requesting the amendment not specifically refer to statute when referencing the minimum nonforfeiture law in states. The PSC considered these comments and recommended changing the reference to the law of the state in the amendment.

The PSC is available to respond to any questions or requests for information to assist the Management Committee.