

Product Standards Committee (PSC)
Public Call Summary
December 12, 2023

Agenda Item 2. Receive comments on the ILVA draft standards

Jason Lapham stated there were written comments from the American Academy of Actuaries, the Institute for Retirement Income and a combined letter from ACLI and the Committee of Annuity Insurers.(CAI). He asked the commenters to provide oral comments. Beth Keith on behalf of AAA asked for clarification on the intent of on §1. B. (g)(ii), additional clarification on Appendix C and suggested edits to the title of the Draft Amendments to Additional Standards for Market Value Adjustment. Sarah Wood of IRI discussed the request to delete the consumer acknowledgement of receipt of a product comparison acknowledgment in the application standard as well as the request to include other interim value approaches that are not in the current ILVA draft standard. ACLI and CAI representatives discussed the questions from the PSC. They provided background on the request to include a reference to the SEC rule 12h-7. ACLI-CAI asked for edits to the illustration in Appendix C and asked that the product comparison acknowledgement be deleted from the application standard. They pointed out that the SEC is required to design a form to ensure that a purchaser receives information needed to make a knowledgeable decision by June 29, 2024. The SEC conducted user testing to develop the disclosure form.

Brendan Bridgeland from the Consumer Advisory Committee suggested keeping the acknowledgement in the application but modifying the format to address industry concerns.

ACLI-CAI presented comments on other issues:

1. Allow the fixed account MVA options that do not comply with NAIC Model 805. They suggested using NAIC Model 255 as an alternative.
2. Clarify the permissible duration in the determination of the MVA and revising the drafting note
3. Clarifying the requirement for index substitution
4. Clarifying the separate account disclosure requirement by moving the requirement to SS 3(AA)(2)as subsection (c)
5. Modify the title and minor updates to the Additional Standards for Market Value Adjustment Feature Provided Through a Separate Account

There were no other comments.

Agenda Item 3. Any Other Matters

Jason Lapham said the PSC will meet in a regulator-only call on December 19 to review the comments from the public call on the ILVA uniform standard drafts.