

May 5, 2025

Interstate Insurance Product Regulation Commission
444 North Capitol Street, NW
Hall of the States, Suite 700
Washington, DC 20001

RE: Group Annuity and Group Life Insurance Uniform Standards

Members of the Product Standards Committee:

The American Council of Life Insurers (ACLI)¹ appreciates this opportunity to provide comments on the six proposed new standards for group annuities and group life insurance and the proposed amendments to three existing standards for group annuities.

We support the proposed new standards and amendments, including those provisions that would have them apply to non-employer groups. We do, however, have one comment related to the proposed new *Additional Standards for Graded Death Benefit for Group Term Life Insurance Policies and Certificates*.

These new standards are based on the existing *Additional Standards for Graded Death Benefit for Group Whole Life Insurance Policies and Certificates*. However, Section 3.A.(7) of the new standards, which relates to the minimum amount of reduced early duration death benefits for death for natural causes, would have the phrase “*at the rate used to determine nonforfeiture values under the certificate*” that is in the group whole life standards replaced with “*plus ten percent interest*”.

The industry standard for direct-to-consumer graded death benefits is 110% of premiums paid. This is consistent with the spirit of the proposed new standards - that consumers should be able to obtain more in death benefits than what they paid in premiums within the reduced early duration death benefit period. The proposed additional 10% interest, however, would exceed what carriers are currently providing since that rate will compound each year that premiums are paid.

We, therefore, request that the proposed “*plus ten percent interest*” language be deleted and that Section 3.A.(7) be amended to read as follows: “*The amount of reduced early duration death benefits for death from natural causes shall not be less than 110 percent of the amount of premiums paid to the time of death*”.

Thank you for your consideration, and feel free to contact me if you have any questions.

Respectfully submitted,

¹ The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI’s member companies are dedicated to protecting consumers’ financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI’s 275 member companies represent 93 percent of industry assets in the United States.

Wayne A. Mehlman

Wayne Mehlman

Senior Counsel, Insurance Regulation

waynemehlman@acli.com