



REQUEST FOR NEW UNIFORM STANDARDS OR CHANGES TO UNIFORM STANDARDS

NAME OF PERSON REQUESTING CHANGE: American Council of Life Insurers

AFFILIATION: INDUSTRY ADVISORY COMMITTEE

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REQUEST IS FOR: Amendment to Existing Standard

SECTION AND SUBSECTION(S) OF UNIFORM STANDARD IF APPLICABLE: Section 3.R.(4) of the Individual Immediate Non-Variable Annuity Contract Standards

DETAILED DESCRIPTION OF THE REQUEST, INCLUDING THE SCOPE IF A NEW UNIFORM STANDARD, AND IF APPROPRIATE ALSO INCLUDE PROPOSED LANGUAGE CONSIDERATION: ACLI would like the Compact to amend Section 3.R.(4) of the Individual Immediate Non-Variable Annuity Contract Standards so it is consistent with Section 3.T.(4) of the Individual Deferred Paid-Up Non-Variable Annuity Contract Standards:

Section 3.R.(4) of the Individual Immediate Non-Variable Annuity Contract Standards currently reads:

(4) The contract shall describe the available dividend options. If the contract provides for more than one dividend option, the contract shall identify the automatic option. Dividends used to purchase additional income benefits shall be subject to the same requirements of this standard as additional premium payments made after issue.

Section 3.T.(4) of the Individual Deferred Paid-Up Non-Variable Annuity Contract Standards reads:

(4) The contract shall describe the available dividend options. If the contract provides for more than one dividend option, the contract shall identify the automatic option. Dividends used to purchase additional guaranteed income payments shall be determined using either:

(a) "Current annuity purchase rates," as defined in § B(1)(c) of this standard, or

(b) The same interest and mortality rates used to determine guaranteed income payments at the time of the premium payment to which the dividend is related was paid, and the attained age(s) of the annuitant(s) at the time the dividend is paid.

We, therefore, request that Section 3.R.(4) be amended to (1) specifically refer to "the company's then current annuity purchase rates" which is included in Section 3.B.(1)(a) of the same standard, and (2) allow for the additional purchase rate option that is in Section 3.T.(4), so that it reads:

(4) The contract shall describe the available dividend options. If the contract provides for more than one dividend option, the contract shall identify the automatic option. Dividends used to purchase additional guaranteed income payments shall be determined using either:

(a) The company's then current annuity purchase rates, or

(b) The same interest and mortality rates used to determine guaranteed income payments at the time of the premium payment to which the dividend is related was paid, and the attained age(s) of the annuitant(s) at the time the dividend is paid.

DETAILED EXPLANATION OF THE REASON FOR THE REQUEST. IF A NEW UNIFORM STANDARD, PLEASE PROVIDE SUPPORT THAT THIS TYPE OF PRODUCT HAS BEEN FILED AND APPROVED IN COMPACTING STATES. IF AN AMENDMENT TO AN EXISTING UNIFORM STANDARDS, PLEASE PROVIDE SUPPORT FOR HOW CIRCUMSTANCES OR UNDERLYING ASSUMPTIONS (WHETHER IN REGULATION, IN THE MARKETPLACE OR OTHERWISE) HAVE CHANGED: Some of our members currently use the purchase rates that are described in Section 3.T.(4)(b) of the Individual Deferred Paid-Up Non-Variable Annuity Contract Standards in their administrative systems and pricing models for individual immediate non-variable annuities. For consistency purposes, we are requesting that the same option be provided under the Individual Immediate Non-Variable Annuity Contract Standards.

IS THIS CHANGE CURRENTLY ACCEPTED IN COMPACT STATES? Unknown

WOULD THIS CHANGE CONFLICT WITH ANY NAIC MODEL LAWS OR REGULATIONS? Unknown