

Fm: Wencil, Melissa S. <mswencil@fedins.com>

Sent: Friday, July 18, 2025 12:29 PM

To: IIPRC - Comments Shared Mailbox <comments@insurancecompact.org>

Subject: Comments on Amending the Uniform Standards for Waiver of Premium and Waiver of Surrender Charges for Life Policies and Annuity Contracts

Federated Life Insurance Company would like to submit the following responses to your request from comments on amending the Uniform Standards for Waiver of Premium and Waiver of Surrender Charges for life policies and annuity contracts.

1. Are companies filing riders with states to allow Waivers of Premium or Surrender Charges for certain financial hardship situations?
 1. We have not filed riders for financial hardship situations.
2. Are there specific categories of financial hardship that the PSC should consider if amending the standards?
 1. N/A
3. Are companies filing riders with states to allow waivers due to changes in the federal tax code?
 1. Yes, we have filed riders for this purpose and continue to do so. Life insurance is often a key piece of estate planning. However, life insurance can be more expensive or not available if you wait too long. Some clients may delay their purchase of valuable life insurance due to pending federal tax changes or sunset provisions. This may hurt clients as their delay in purchasing life insurance may impact their risk classification. In our view, consumers stand to benefit from the filing and introduction of these riders.
4. Are companies filing riders with states to allow waivers related to natural disasters such as floods, tornados, or home displacement related to disasters?
 1. N/A
5. Are there other categories that should be permitted as waiver triggers and if so, why?
 1. N/A
6. Do these categories change if it is a Waiver of Premium or a Waiver of Surrender Charge benefit?
 1. Yes. Waiver of Premium benefits are typically tied to the insured's health or disability status, while Waiver of Surrender Charge benefits may be more appropriate for external factors

such as tax law changes or regulatory shifts. The nature of the trigger should align with the type of waiver to ensure fairness and clarity.

7. Do these categories change if the waiver is attached to a life insurance or an annuity product?
 1. Yes. Life insurance products are often used for long-term protection and estate planning, so waiver triggers like tax law changes may be more relevant. Annuities, on the other hand, may be more sensitive to financial hardship or market volatility. The product's purpose should guide the appropriateness of the waiver trigger.
8. What are the reasons companies are expanding beyond traditional triggers in Waiver of Premium or Surrender Charge benefits?
 1. The evolving financial and regulatory landscape has introduced new risks and uncertainties for consumers. Expanding waiver triggers allows insurers to offer more flexible and responsive products that better meet consumer needs, particularly in areas like estate planning, where timing and tax implications are critical. Inability to expand beyond the normal triggers may adversely affect consumers who put off purchasing valuable coverage for their needs.
9. The PSC welcomes comments on how the companies address states' concerns, if any, that the risk triggering the benefit may be outside of the state's definition of life insurance and/or annuity business.
 1. We recognize the importance of maintaining alignment with state definitions of life insurance. When filing riders with non-traditional triggers, we ensure that the benefit structure remains consistent with the core purpose of the life insurance contract. We also provide clear disclosures and actuarial justification to support the rider's relevance and value to the policyholder. This core purpose of the policy as a life insurance contract is not prevented by the addition of non-traditional triggers.
10. Are these additional categories (home displacement, financial hardship, changes in the federal tax code) available in the marketplace today?
 1. Riders addressing changes in the federal tax code have been filed in several jurisdictions in the past. However, we are not aware of widespread availability of riders for home displacement or general financial hardship in the life insurance space.

Sincerely,

Melissa Wencil *CPCU, AU, AIS, AINS, AR* | **Compliance Analyst**

Federated Insurance – Corporate Compliance and Government Relations

121 East Park Square Owatonna, MN 55060

CII-304

O: (800) 533-0472 | E: mswencil@fedins.com | Client Contact Center: 1-888-333-4949



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