



DATE: February 13, 2024

TO: Interested Parties

FROM: Product Standards Committee

RE: **Draft Amendments to the Additional Standards for Annuities to allow for use with index-linked variable annuity products**
Amendments to the calculation of the initial benefit base for Guaranteed Minimum Accumulation Benefit (GMAB) features under the *Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities*

The following additional standards for annuities are amended to permit use with index-linked variable annuity products. There is also an amendment to the calculation of the initial benefit base for Guaranteed Minimum Accumulation Benefit (GMAB) features under *Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities*.

The changes are highlighted in the drafts and are as follows:

- Additional Standards for Index-Linked Crediting Feature for Deferred Non-Variable Annuities and the General Account Portion of Individual Deferred Variable Annuity Contract
 - Added to the Scope and the title of the Actuarial Certification: “or the non-variable account value of individual deferred indexed linked variable annuity contracts.”
- Additional Standards for Bonus Benefits for Individual Deferred Non-Variable Annuity Contracts
 - Added to the Scope and the title of the Actuarial Certification: “non-variable account value of individual deferred indexed linked variable annuity contracts.”
 - Deleted in the Scope: “These standards do not apply to products with a zero (0) bonus”.
 - Added in the Guidance “or the non-variable account value of individual deferred indexed linked variable annuity contracts.”
- Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts
 - Added to title: “or Individual Deferred Index-Linked Variable Annuity Contracts.”
 - Added to scope: “individual deferred indexed linked variable annuity contracts.”

- Added to Actuarial Memorandum Requirements: “or individual deferred indexed linked variable annuity contracts.”
- Added drafting note: “Drafting Note: For individual deferred index linked variable annuity contract, the minimum nonforfeiture requirements of Section 7.D of the NAIC Model Variable Annuity Regulation, model #250, are modified by Section (1)(B)(1)(f) of the Core Standards for Individual Deferred Index Linked Variable Annuity Contracts.”
- Added other technical edits to the Actuarial Memorandum Requirements and Guidance
- Additional Standards for Market Value Adjustment Feature Provided through the General Account
 - Added to the Scope and Guidance title: “or the non-variable account value of individual deferred indexed linked variable annuity contracts.”
- Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities
 - Added to the Scope and (1) of the Actuarial Memorandum: “or individual deferred indexed linked variable annuity contracts.”
 - Added “individual deferred indexed linked variable annuity contracts” and reference to contract standards to Drafting note in §1 Additional Submission Requirements, B. Actuarial Memorandum
 - Amended §2. General Requirements, C. GLB Amounts (1)(a) to allow for amendments to the calculation of the initial benefit base for Guaranteed Minimum Accumulation Benefit.
- Additional Standards for Guaranteed Minimum Death Benefits for Individual Deferred Variable Annuities
 - Added to the Scope “individual deferred indexed linked variable annuity contracts.”
 - Added to §1 Additional Submission Requirements, B. Actuarial Memorandum (1) “Individual Deferred Indexed Linked Variable Annuity Contract Standards.”
- Additional Standards for Waiver of Surrender Charges Benefit
 - Added to the Scope “individual deferred indexed linked indexed linked variable.”