



Oregon
Tina Kotek, Governor



Department of Consumer
and Business Services

May 28, 2024

Submitted Electronically (www.insurancecompact.org)

Karen Schutter
IIPRC Executive Director
1101 K Street, NW
Suite 650
Washington, DC 20000

Re: Notice of Oregon's Election to Opt-Out and Petition for Stay

Standards for Individual Deferred Index Linked Variable Annuity Contracts
(Commonly Marketed as Registered Index Linked Annuities)

Amendments to Additional Standards for Market Value Adjustment Feature Provided
Through a Separate Account

Dear Ms. Schutter:

The Oregon Division of Financial Regulation (DFR) provides this correspondence, pursuant to the requirements stated in Article VII(3-6) of the Interstate Insurance Product Regulation Compact (Compact), as formal notice of the division's decision to opt-out of the following Compact Uniform Standards adopted on April 25, 2024:

- 1) Standards for Individual Deferred Index Linked Variable Annuity Contracts (Commonly Marketed as Registered Index Linked Annuities).
- 2) Amendments to Additional Standards for Market Value Adjustment Feature Provided Through a Separate Account.

DFR staff reviewed these standards for areas in which the promulgated language differs from Oregon statutes and/or regulations, as well as areas in which the level of consumer protection afforded by the Compact standards may be less than what is required in this state. Representatives of the Interstate Insurance Product Regulation Commission (Commission) provided valuable assistance and support throughout this process and the division deeply appreciates their time, effort, and collaboration throughout this review.

At this time, the division has unresolved concerns pertaining to the primacy of state nonforfeiture laws and Oregon's statutory nonforfeiture credit rate requirements, and the absence of product design limitations related to floor or buffer caps for index linked variable annuity (ILVA) and/or registered index linked annuity (RILA) products that prevent ILVAs/RILAs from effectively functioning as fixed rate products while circumventing state minimum nonforfeiture requirements.

In conjunction with initiating the formal opt-out process, Oregon is also petitioning the Commission to stay the effectiveness of the Compact's Uniform Standards noted above until

such time as Oregon can effectuate the necessary regulations needed to complete the opt-out process.

Thank you for your consideration of this request.

Sincerely,



Andrew R. Stolfi, Director and Insurance Commissioner
Oregon Department of Consumer and Business Services