



TO: Management Committees

FROM: Product Standards Committee

DATE: June 2, 2026

SUBJECT: *Amendments to the Individual Immediate Non-Variable Annuity Contract Standards and Individual Deferred Paid-Up Non-Variable Annuity Contract Standards*

The Product Standards Committee brings forth a recommendation to amend the *Individual Immediate Non-Variable Annuity Contract Standards* and the *Individual Deferred Paid-Up Non-Variable Annuity Contract Standards*.

Amendments to the Individual Immediate Non-Variable Annuity Contract Standards

As part of the Uniform Standards Development identification and prioritization process, the ACLI suggested amendments to the *Individual Immediate Non-Variable Annuity Contract Standards* so that it would be consistent with the *Individual Deferred Paid-Up Non-Variable Annuity Contract Standards*. Some companies 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.

The request is to amend Section 3.R.(4) to specifically refer to "the company's then current annuity purchase rates" and to allow for the additional purchase rate option. The Product Standards Committee has no objections to the suggested amendment and therefore, therefore recommends this change.

Amendments to the Individual Deferred Paid-Up Non-Variable Annuity Contract Standards

As part of the Uniform Standards Development identification and prioritization process, the ACLI suggested amendments to the *Individual Deferred Paid-Up Non-Variable Annuity Contract Standards Product Standards*. The ACLI asked that these standards be amended to add the participating/non-participating distinction to the actuarial certification described in Section 1.B.1.(g) and the statement in Section 3.B.(1)(c)(i). To be meaningful, the division of annuitants into participating and non-participating classes should apply to both the initial premium requirements in Section 1.B.(1)(g) and the additional premium requirements in Section 3.B.(1) (c) (i).

The PSC suggested edits to delete references to "expected to pay dividends." The PSC held a public call on March 31, 2026, to receive comments. ACLI submitted comments on the PSC

suggested edits. The PSC agreed to accept the ACLI comments to keep the references to “expected to pay dividends” and recommends the changes for the participating/non-participating distinction.

Given the extensive, transparent, and documented drafting process preceding these recommendations, the PSC suggests that any additional comments or concerns about these recommended Uniform Standards be raised, considered, and discussed by all members and interested parties during the Management Committee’s formal rulemaking process.

The PSC is available to respond to any questions or requests for information to assist the Management Committee.