Wayne Mehlman
Senior Counsel

June 21, 2019

Interstate Insurance Product Regulation Commission (IIPRC)
Product Standards Committee
444 North Capitol Street, NW
Hall of the States, Suite 700
Washington, DC 20001-1509
comments@insurancecompact.org.

RE: Group Annuity Certificate Uniform Standards for Employer Groups

To the Members of the Product Standards Committee:

The American Council of Life Insurers (“ACLI”)1 appreciates this opportunity to submit the following comments in response to the updated, June 10, 2019 draft of Group Annuity Certificate Uniform Standards for Employer Groups.

Definition of “Certificate”:

Riders and endorsements are often added to annuity certificates to describe additional features of a certificateholder’s annuity. As a result, we suggest that the definition be modified to read:

“Certificate” means the document, including any rider or endorsement attached to it, which describes the certificateholder’s benefits and rights under the contract.”

Section 1.A.(8) – Additional Submission Requirements - General

Since 26 states and the District of Columbia have a minimum Flesch score requirement of 40, and 15 states and Puerto Rico do not have any minimum Flesch score requirement (9 states also exempt group annuities from having to file group annuity certificates), we respectfully ask that the minimum Flesch score requirement that is referred to this section be reduced from 50 to 40.

Section 1.B(4)(a) and (b) – Additional Submission Requirements - Variability of Information

We believe that “Plan/contract” should be inserted back into both subsections and not replaced with “certificate”.

For subsection (a), variable items unrelated to Plan/contract provisions are intended to address certain terms that the insurer wants to include on the certificate that are not based on the terms of the contract

1 The American Council of Life Insurers (ACLI) advocates on behalf of 280 member companies dedicated to providing products and services that promote consumers’ financial and retirement security. 90 million American families depend on our members for life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, dental and vision and other supplemental benefits. ACLI represents member companies in state, federal and international forums for public policy that supports the industry marketplace and the families that rely on life insurers’ products for peace of mind. ACLI members represent 95 percent of industry assets in the United States. Learn more at www.acli.com.

American Council of Life Insurers
101 Constitution Avenue, NW, Washington, DC 20001-2133
(202) 624-2135 waynemehlman@acli.com
or plan. For example, variability for how to contact the insurer’s call center, or variable text to refer to an attached rider.

For subsection (b), variable items related to Plan/contract provisions are intended to allow the text on the certificate to be tailored in accordance with the provisions of the plan. For example, a deferred annuity certificate for one contract may allow annuitants to elect early commencement at age 55 provided they worked 10 years; whereas another plan may allow early retirement if the sum of the annuitant’s age and service equal 65.

Section 1.C.(1) – Additional Submission Requirements – Readability Requirements
For the same reasons we mentioned above with regard to Section 1.A(8), we respectfully ask that the minimum Flesch score requirement that is referred to this section be reduced from 50 to 40.

Section 4.F(3)(a) through (d) – Certificate Provisions – Death of the Annuitant
A group annuity certificate should reflect the death benefit provision(s) and form(s) of payment that are in a group annuity contract and that the contract provides benefits in accordance with the respective employer’s qualified plan. Since the additional provisions of subsections (a) through (d) are not required to be in a qualified plan, we respectfully request that these subsections be deleted.

If you have any questions, feel free to contact me at waynemehlman@acl.com or 202-624-2135.

Sincerely,

Wayne Mehlman
Senior Counsel, Insurance Regulation