Please accept the following comments on Group Annuity Certificate Uniform Standards for Employer Groups. Note that these are my own comments as an interested regulator and do not represent a position of the Pennsylvania Insurance Department.

1. Consider restoring the ENTIRE CONTRACT provision with alternative requirements, such as follows.

   - The certificate shall state whether or not it is a contract and, if not, whether it is part of the contract. If the certificate is a contract, the parties shall be stated.

2. § 4 J. PAYMENT OF BENEFITS

The existing language under 4J.(2) seems to allow the certificateholder to be broadly accountable for any errors or misstatements. If the certificateholder should be held accountable only for his or her misstatements, consider the first edit suggestion below. A clarification of overpayments and underpayments is also included in the edit.

   - (2) The certificate may contain a provision describing adjustment of annuity payments as a result of the certificateholder’s misstatement of age, sex or other relevant data; compliance with court orders or applicable law, or overpayments or underpayments owing to administrative error.

If the certificateholder is to be more broadly responsible for errors, consider an alternative edit suggestion below.

   - (2) The certificate may contain a provision describing adjustment of annuity payments as a result of a misstatement of errors in age, sex or other relevant data shown in the certificate, to the extent that the certificateholder did not act promptly and in good faith to have such errors corrected. The certificate may also describe adjustment of annuity payments resulting from compliance with court orders or applicable law, or overpayments or underpayments owing to administrative error.

3. § 4 K. PAYMENT OF PREMIUM

The need for a Payment of Premium provision isn’t obvious in the Pension Risk Transfer case. Perhaps the provision should be refined for more general use. An edit suggestion appears below.
(1) If the premium payment amount is shown in the certificate, the certificate may contain information describing the premium payment and shall state when premiums are due. The provision may state that the insurance company is only liable for those annuity payments for which premium has been duly received.

I look forward to discussing public comments on the upcoming conference call.

Tom

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