Please accept the following comments on the **Uniform Standards for Group Guaranteed Interest Contracts for Non-Variable Annuities 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.

Imagining myself in the position of the reviewer, I believe that several clarifications would be beneficial. In my experience it is helpful if definitions, even those presented as examples, reflect a general expectation or are suggestive of some nuance or inference. Following are some specific comments, with tentative edit suggestions.

1. Consider refining the definitions of “**Active Life Certificate**” and “**Retired Life Certificate**” found on the second page of the Redline Draft to be more suggestive of the distinction between the two. Proposed edits are as follows below.

   - “Active Life Certificate” means a certificate delivered to each participant who is covered under an allocated contract, summarizing benefit provisions and the certificateholder’s rights under the contract.

   - “Retired Life Certificate” means a certificate delivered to each person to whom annuity payments are scheduled or are being paid under the contract.

2. § 3. **TERMS AND CONCEPTS**

Consider refining the sample definitions of “**Benefit Responsive Contract**”, “**Benefit Responsive Withdrawal**” and “**Non-benefit Responsive Withdrawal**” to help clarify whether strict consistency between them should be expected. It is possible that the edits suggested below do not reflect intended nuances, and should be revised accordingly, or perhaps strict consistency is not always expected. In the position of a reviewer, I would value the inference that a Benefit Responsive Contract may have non-qualifying participant-initiated benefit withdrawals that can trigger a Market Value Adjustment (if such is the case.)

   - “**Benefit Responsive Contract**” means a contract that guarantees certain Plan participant-initiated withdrawals and transfers at Contract Value, subject to applicable contract provisions, for specific qualifying Plan benefit payments such as retirement, separation from service, disability, death, hardship or loans (if the Plan permits).

   - “**Benefit Responsive Withdrawal**” means amounts withdrawn at Contract Value from the contract to pay eligible for qualifying Plan benefits payments to a participant, beneficiary or alternate Payee, such as retirement, separation from service, disability, death, hardship or loans (if the Plan permits), pursuant to the terms of the Plan and
the Internal Revenue Code.

• “Non-benefit Responsive Withdrawal” means any payment requested by the contractholder that is not taken used for the purpose of paying any of the qualifying Plan benefit payments to participants.

3. Also under § 3. TERMS AND CONCEPTS

In the position of a reviewer, I would value the inference that the term “Payee” generally represents a person or entity other than the Annuitant (if such is the case.) Also, if the Payee is not named in the application, it would be beneficial to know whether the Contract Schedule is routinely subject to amendment to the extent that a Payee can be named in a later designation. It would be straightforward to insert “other than the Annuitant,” (before “as shown”) and/or “as amended” (after Contract Schedule) if either is consistent with a general expectation.

Thank you for considering the above comments.

Thomas P. Kilcoyne | Life Actuary
Pennsylvania Insurance Department
1311 Strawberry Square | Harrisburg, PA 17120
Phone: 717.783.8695 | Fax: 717.787.8555
www.insurance.pa.gov