March 14, 2019

To: Interstate Insurance Product Regulation Commission

From: Oregon Division of Financial Regulation

Subject: Additional Comments on Single Premium Group Fixed Annuity Contract Uniform Standards for Employer Groups

Thank you for the opportunity to submit additional comments on the Single Premium Group Fixed Annuity Contract Uniform Standards for Employer Groups.

General Comments
Consistent with previous comments, Oregon remains concerned that the process for developing product standards and seeking public comment on IIPRC matters lacks transparency and reduces meaningful input from compacting states. We continue to encourage the IIPRC to adopt a more transparent process and work with compacting states to develop opportunities to provide meaningful regulator participation.

Comments on Single Premium Group Fixed Annuity Contract Uniform Standards for Employer Groups
1. The Entire Contract provision contains language that allows the provision to either be applicable or not applicable. In order for the entire contract provision to be required the product standards should state “shall contain” instead of the optional “may contain” in order to convey the provision is required.

2. The product standards do not appear to contain an incontestability provision. In comments on the draft the IIPRC and PSC indicated that most member states do not require the incontestability provision. Oregon would like to know which states do not require this provision and how the IIPRC implemented a process for consulting with compacting states to determine if the provision should be included.

3. Recently Oregon has seen an uptick in activity around employer group annuity contract changes. We would like to explore how the IIPRC intends to communicate with compacting states about market changes that may impact employers and employees in each state. The proposed product standards may allow issuer activity that Oregon would find inappropriate for Oregon consumers.