Nov. 2, 2018

To: Lucy Conley-Smoucha; Interstate Insurance Product Regulation Commission
From: The Penn Mutual Life Insurance Company
Re: Comments on the proposed amendments to the Additional Standards for Overloan Protection

The below comments are being submitted by The Penn Mutual Life Insurance Company for consideration by the Interstate Insurance Product Regulation Commission in regards to their proposed amendments to the Additional Standards for Overloan Protection.

Section 2.B.(1) – General Form Requirements; Specifications Page

Considering the wording in this section, is it possible to combine the minimum age required before exercising and the minimum duration the policy must be in force before exercising into one “Minimum Number of Years” feature? The “Minimum Number of Years” would be defined in the Actuarial Memorandum as the maximum of (min duration, number of years to reach min age)?

Section 3.A.(2) – Benefit Provisions; Benefit

We would like to propose for consideration adding the following condition: The Policy cannot be a Modified Endowment Contract under 7702 of the IRC, as amended, at the time the Policy is issued.

Section 3.A.(4).(a) – Benefit Provisions; Benefit – PSC Comment

We are comfortable with adding Utah's suggested language as an option to subsection (4), but would not like to lose the ability to automatically exercise the benefit as currently outlined in subsection (a).

Section 3.A.(4).(b).(i) – Benefit Provisions; Benefit – PSC Comment

It may be hard to customize the notifications based on the provisions of the base policy or other riders to give details about the differences between overloan and reduced paid up, or other available options. We are comfortable with a generic statement that RPU may be available for whole life policies.

Thank you for your consideration.
Sincerely,
Laura Wiland