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Lansing, MI 48951

July 24, 2019

Ms. Karen Schutter
Executive Director & Commission Secretary
Interstate Insurance Product Regulation Commission
444 North Capitol Street, NW
Hall of the States, Suite 700
Washington, DC 20001-1509

Ms. Schutter,

Jackson National Life Insurance Company ("Jackson"), one of the nation's largest providers of individual annuities, appreciates the opportunity to comment on the Interstate Insurance Product Regulation Commission's ("Commission") proposed strategic planning framework. We truly appreciate and support the work of the Commission and its commitment to modernize and enhance product filings to the benefit of state insurance regulators, consumers and the insurance industry alike. In our experience, the Interstate Insurance Compact ("Compact") has been a successful addition to the insurance regulatory mechanism.

Jackson and its U.S. affiliates manage more than \$200 billion in fixed and variable annuities for over 1.5 million investors in all 50 states. Jackson's insurance products are offered by more than 150,000 financial advisers affiliated with more than 600 independent broker-dealers, wirehouses, financial institutions, and independent insurance agents. Thus, Jackson has a unique perspective as a leading manufacturer of annuity products, and it's from this perspective that we provide comment here.

The Commission's strategic planning framework is an important first step to optimize the value of the Compact. We commend the Commission's goal to draft standards that are robust, reasonable and relevant. Key to that objective is a more streamlined, uniform standards review process. We believe that Compact participants would be better served by a more iterative, flexible and more frequent standards-setting and review process that is able to keep up with ever-evolving innovation in the industry. With product standards being reviewed in 5-year intervals, the ability for standards to keep pace with new product innovations and meet the financial needs of consumers is minimized. For example, registered index-linked annuities (also known as structured or buffered annuities) and contingent deferred annuities have been filed with individual states for several years due to the absence of Compact standards for these products.

We also echo the comments already received by the Commission calling for a more open and transparent process for developing these standards and would support a process that allows for participation by a broader base of stakeholders – most especially, subject matter experts within the industry. A lack of regulator familiarity with new and innovative products may lead to oversights in the standards that will undermine the intention of the Commission to offer comprehensive, workable standards. That is why more frequent and iterative input from industry stakeholders is critical.

We agree with the comment that developing standards where no Compacting states opt out leads to less reasonable standards. While this approach reduces concerns from Compacting states, it provides an incentive for insurers to file through individual states to access more reasonable, lenient product standards. Additionally, we respectfully disagree with the comment suggesting the adoption of the “highest standard” from among member states. Adopting the strictest product standard among Compacting states works against the Commission’s stated goal of having standards reflect balanced product requirements, particularly if industry stakeholders have limited input in the drafting process.

Jackson appreciates the opportunity to share our views and hopes that this letter is helpful to the Commission’s strategic planning efforts. We are happy to answer any questions you have or to provide additional information.

Sincerely,

A handwritten signature in black ink that reads "Julie A. Hughes". The signature is written in a cursive, flowing style.

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