DATE: February 10, 2009

TO: IIPRC Management Committee

FROM: IIPRC Industry Advisory Committee

SUBJECT: Comments on:
- Additional Standards for Intermediate Period Endowment Benefit Features for Individual Life Insurance Policies (including Return of Premium)
- Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts
- Additional Standards for Index-Linked Crediting Features for Individual Non-Variable Adjustable Life Policies

Re: Additional Standards for Intermediate Period Endowment Benefit Features for Individual Life Insurance Policies (including Return of Premium)

The Industry Advisory Committee recommends the following changes:

- Change all references from “Actuarial Guideline CCC” to “Actuarial Guideline XLV” (occurs in 5 places).
- Skip a line in C. LOANS between Items (3) and (4).
- Skip a space between “policy” and “comply” in B. ACTUARIAL MEMORANDUM REQUIREMENTS, Item (1)(a).
- Change “Individual Term Life Insurance Policy Standards” in C. LOANS, Item (4) and D. NONFORFETURE VALUES – POLICY PROVISIONS, Item (4) to “Individual Term Life and Whole Life Insurance Policy Standards.”
- Change “term policy” to “policy” in D. NONFORFETURE VALUES – POLICY PROVISIONS, Item (4).
- Add an additional Item (6) to GUIDELINES FOR NONFORFEITURE MINIMUM VALUE COMPLIANCE, which would read:

  Section C of Actuarial Guideline XLV requires that actual cash values for the policy must also satisfy the consistency of progression of cash values test (smoothness test) contained in Section 8 of the Law, considering guaranteed benefits and premiums during the entire period death benefits are available under the policy. For the purpose of this test, the unitary adjusted premiums should be...
used (i.e. those defined in Section 5c of the Law, for all durations over the life of the policy, as a constant percentage of the gross premium).

Adding this item would clarify what we understand was the intention of Actuarial Guideline XLV.

Re: Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts

The Industry Advisory Committee recommends the following changes:

- In ACTUARIAL MEMORANDUM REQUIREMENTS, Item (1), move the “and” at the end of Item (c) to the end of Item (d), and replace the period with a semi-colon.

- In the third to last line of the Drafting Note to the GUIDANCE FOR COMPLETING APPENDICES A-1 AND A-2, change “contract” to “contracts.”

- Skip a line before Item (3) in the GUIDANCE FOR COMPLETING APPENDICES A-1 AND A-2.

Re: Additional Standards for Index-Linked Crediting Features for Individual Non-Variable Adjustable Life Policies

The Industry Advisory Committee recommends the following changes:

- At the end of Item (1)(a) of A. GENERAL under ADDITIONAL SUBMISSION REQUIREMENTS, change the period to a semi-colon.

- At the end of Item (1)(a) of A. AMENDMENTS, add the following sentence:

  The change shall be made by the use of an endorsement subject to the applicable prior approval requirement.

  Adding this section would make this item consistent with the latest changes made to other standard that include this provision.

- At the end of the second to last sentence of Item (1) of C. DISCONTINUATION OF OR SUBSTANTIAL CHANGE TO AN INDEX, insert “(IIPRC)” to be consistent with other standards.
Submitted by:

**IIPRC Industry Advisory Committee:**

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Steve Buhr, AEGON  
Tom English, New York Life  
Michael Gerber, NAIFA  
Dennis Herchel, Mass Mutual Life Insurance Company  
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