

Agenda Item 2. Receive public comments on the IIPRC Office Report and Recommendation to the Product Standards Committee for the Uniform Standards currently subject to 5-year review (Phases 2, 3 and 4).

The Chair provided an overview of the IIPRC report which included a series of recommended changes to a group of 19 uniform standards primarily related to annuity products or additional standards for life products that became effective between January 1, 2008 and June 30, 2009. IIPRC staff provided a summary of the changes recommended for the twelve clarification items identified in the report.

Miriam Krol of the ACLI, representing the Industry Advisory Committee (IAC), provided comment regarding Clarification Item #3 in the report related to contract provision requirements in Core Standards for Individual Deferred Annuity Contracts and Individual Immediate Annuity Contracts and the company's right to defer payment of surrenders, partial withdrawals and loans for a period of six months subject to regulatory approval. She explained that as written, the recommended change appears to imply that the company can only reserve the right to defer payment in the policy provision if it has obtained regulatory approval. The IAC believes the intent of the change was to clarify that if the company wishes to exercise the right, it must seek regulatory approval. Prior to the call, the IAC provided written edits to the provision for the PSC's consideration.

For Item #6 related to the Additional Standards for Bonus Benefits for Individual Deferred Non-Variable Annuities and for Individual Deferred Variable Annuities, and the recommendation to include information found in Filing Information Notice 2010-2 to provide clarification on submission of product filings where the contract has a range of bonus rates varying based on premium or account values, the IAC stated that the reference to "separate forms" was vague and recommended edits to clarify that the reference was to policy forms.

Because the IAC comments were received shortly before the call, the information was not yet posted on the IIPRC website but would be made available as soon as possible. The chair stated that the PSC would consider the comments during their discussions of the clarification items.

There were no further questions about the comment and no additional comments on the proposal from other interested parties on the call.

The Chair explained that the PSC's goal is to finalize its recommendations over the next two weeks and have another public call on July 29, 2014 in order to prepare a final recommendation on Phases 2, 3 and 4 of the Five Year Review to provide to the Management Committee for its meeting on August 15, 2014.