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Sent: Tuesday, June 25, 2019 4:13 PM

To: Narcini, Anne Marie

Cc: Clausen, Heidi

Subject: Comments on SP Group Fixed Annuity Standards

Anne Marie, I would like to offer comments on the proposed Single Premium Group Fixed Annuity Contract Uniform Standards for Employer Groups.

1. What is the purpose of the second paragraph under the scope? The standard is for contracts used as part of a Pension Risk Transfer. Why would there be a need to combine such a contract with group life, group disability income, group LTC, etc?

2. Section 4.F Commutation of Annuity Payments

Should it specify that commutation is only at the choice/request of the Annuitant or Beneficiary? Could the insurance company or the Plan Sponsor request commutation?

3. Section 4.L Evidence of Survival

Should there be some limit on frequency with which this information can be requested? If not, maybe at least frequency should be stated in the contract?

4. Section 4.Q Termination

The draft appears to only have one termination condition. Does that mean that Plan Sponsor and the Insurer could not mutually agree to terminate the agreement prior to the last payment being made?

It is quite possible that some or all of these items were discussed by PSC and there could be good reasons that they were drafted this way. The remaining comments are purely editorial.

5. [Edit] I would suggest using "General Account" rather than "General" in line 5 of the Scope paragraph.

6. [Edit] Section 1.A.(9)

I don't like the phrase "the contract includes a Separate Account". I would suggest using maybe "involves", "is supported by", or "stipulates the use of".

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