

From: [Alice](#)
To: [Schutter, Karen](#); bmcelduf@naic.org; [Dubsky, Sara](#)
Subject: Fwd: Re: IIPRC Incidental GMDB Standards
Date: Monday, June 24, 2013 1:06:35 PM

Sent via smartphone. Please excuse any spelling mistakes.

----- Original message -----

From: Tomasz Serbinowski <tserbinowski@utah.gov>
Date:
To: "Wade, Jason" <Jason.Wade@insurance.ohio.gov>
Cc: alice@fontaineconsulting.com, "Weber, Peter" <Peter.Weber@insurance.ohio.gov>
Subject: Re: IIPRC Incidental GMDB Standards

Jason, here are my two cents:

Regarding 1(a)(i), you are probably correct that there are products that pay account value including bonus (vested or not) on death. In such case, they would be subject to limitation in 1(a)(ii). Bonuses over 10% would fail (if available on death) and would not be incidental. Bonuses up to 10% should pass.

Regarding the definition of "gain" in 2, I agree with you.

Tomasz

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On Fri, Jun 21, 2013 at 1:16 PM, Wade, Jason <Jason.Wade@insurance.ohio.gov> wrote:

Alice / Tomasz:

I have a couple thoughts/questions on the Incidental GMDB Standards for fixed annuities:

1.(a)(i) reads "the account value, excluding any bonuses that are not fully earned". Are there already products with bonuses filed with the IIPRC that pay the account value (that might include unearned bonuses) as a death benefit? I think this is fairly common with filings in Ohio.

2. defines "gain" as "account value less premiums paid plus withdrawals". I think unearned bonuses need to be excluded here. Do you agree?

Jason