

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION

NOTICE OF PROPOSED RULE

Date Issued: February 26, 2009

Proposed Uniform Standard: Additional Standards for Market Value Adjustment Feature Provided through a Separate Account

- 1. Purpose of Proposed New Rules:** The Additional Standards for Market Value Adjustment Feature Provided through a Separate Account (the "Proposed Standards") apply to market value adjustment (MVA) features that are built into individual deferred non-variable annuity contracts and the non-variable portions of individual deferred variable annuities (including index-linked annuities) or added to such contracts by rider, endorsement or amendment; and are also known as Modified Guaranteed Annuity (MGA). The MVA feature of an MGA is a positive or negative adjustment that may apply to the account value/cash value of the annuity upon withdrawal, surrender, or annuitization, based upon the movement of an index or the company's current guaranteed interest rate being offered on new premium (or new rates for renewal periods for CD annuities), if that withdrawal, surrender, or annuitization occurs at a time other than on a specified guaranteed benefit date.
- 2. Legal Authority:** The Commission is authorized to create uniform standards for products by Article IV, Section 2 of the Interstate Insurance Product Regulation Compact, as enacted into law by each compacting state.
- 3. Text of Proposed New Rules:** The Proposed Standards are available on the Commission's web site (www.insurancecompact.org) and included with this notice as a separate document.
- 4. Where, When, and How Persons May Present Their Views:** The Management Committee for the Commission will accept written comment on the Proposed Standards until **April 27, 2009**. Written comments may be delivered via electronic mail to comments@insurancecompact.org, or via mail to the Management Committee c/o Sara Dubsy, Operations Manager, 444 North Capitol Street, NW, Suite 701 Hall of States, Washington DC 20001-1509.
- 5. Where, When, and How Persons May Request a Public Hearing:** Written requests for a public hearing on the Proposed Standards must be received no later than **March 18, 2009**. Persons who may request a public hearing are Commission members, the Management Committee, the Legislative Committee, the Consumer Advisory Committee, the Industry Advisory Committee, or a person or organization representing at least 25 persons affected by the Proposed Standards. Written requests may be delivered via electronic mail to comments@insurancecompact.org, or via mail to the Management Committee c/o Sara Dubsy, Operations Manager, 444 North Capitol Street, NW, Suite 701 Hall of States, Washington DC 20001-1509.