



MEMORANDUM

To: Product Standards Committee

From: IIPRC Office

Date: July 29, 2015

Subject: Report and Recommendation to the Product Standards Committee for the Uniform Standards currently subject to 5-Year Review (Phase 5)

Overview

Pursuant to the procedures adopted by the Management Committee in March 2012 for implementing the 5-year review process specified in Section 118 of the Rule for the Adoption, Amendment and Repeal of Rules for the IIPRC (better known as the “Rulemaking Rule”), the IIPRC Office is providing its Report and Recommendation to the Product Standards Committee (PSC) for the Uniform Standards currently subject to 5-Year Review.¹ The scope of review under Section 118 shall focus on “the need for continuation, repeal or amendment of the rule based primarily on whether circumstances or underlying assumptions have changed since the last time the rule was adopted, amended or reviewed.”

The procedures require the IIPRC Office to issue notice and have a 60-day comment period with regards to the Uniform Standards subject to periodic review. Since several notices have been issued, for ease of identification, we have labeled each set of standards under review as a “phase.” This report covers Phase 5 of the Five-Year Review and was noticed on January 6, 2015. It covers certain Uniform Standards effective on or before June 30, 2010. The Uniform Standards subject to this 5-Year Review Report and Recommendation are listed in Appendix 1.

The IIPRC has received comments from the Industry Advisory Committee and from one company. The comments have been posted on the IIPRC’s website and are included with the report. In addition IIPRC staff recommended several changes. The IIPRC Office report and recommendation provides a detailed description of the comments and suggested changes raised during the comment period along with clarifications and changes proposed by the IIPRC Office.

¹ The Interstate Insurance Product Regulation Compact defines a rule to include a Uniform Standard developed in accordance with the Compact.

Report and Recommendation to the Product Standards Committee for the Uniform Standards currently subject to 5-Year Review (Phase 5)

This report is organized as follows: 1) Substantive items; 2) Clarification items; 3) Conforming amendments; and 4) Technical items, with a description included in the introduction to each section.

Five-Year Review – Phase 5
Certain Uniform Standards Effective On or Before June 30, 2010

	<u>Page</u>
Substantive Change Items	1
Clarification Items	11
Conforming Items	22
Technical Items	26
Appendix 1 Phase 5 Standards	35

SUBSTANTIVE CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

Substantive Change Items

Substantive change items are proposed amendments to the Uniform Standards that would change or alter the meaning, application or interpretation of the provision. Substantive change items would likely impact not only the Uniform Standards but product filings submitted to the IIPRC and would be the equivalent to a change in an individual state's laws or regulations. When looking at the substantive change items, the scope of review should consider whether circumstances or underlying assumptions have changed since the last time the rule was adopted, amended or reviewed.

List of Substantive Change Items

1. Market Value Adjustment Feature - 7%/7 Year limitation on surrender charges
2. Bonus Benefits – Termination Provisions
3. Guaranteed Living Benefits - Benefit Base
4. Guaranteed Living Benefits - Benefit Triggers

SUBSTANTIVE CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

(1) MARKET VALUE ADJUSTMENT FEATURE – 7%/7 YEAR LIMITATION ON SURRENDER CHARGES

APPLIES: APPENDIX B of the Additional Standards for Market Value Adjustment Feature Provided through the General Account.

CURRENT PROVISION:

For purposes of demonstrating compliance with the NAIC Standard Nonforfeiture Law For Individual Deferred Annuities, Model #805 (the Law), and compliance with the requirements of the core Interstate Insurance Product Regulation Commission standards for individual non-variable deferred annuity products, the following requirements apply to MVA Annuities:

- (1) For purposes of the retrospective test of the Law (Appendix A-1), the guaranteed cash value is after the market value adjustment. This means that the MVA formula must always produce a value at least as great as that determined under the retrospective test as outlined in the guidance for the core standards, or the contract must contain a floor that complies with the retrospective test.
- (2) For purposes of the prospective test of the Law (Appendix A-2):
 - (i) For multi-year interest rate guarantee annuities, the unadjusted guaranteed cash value (or the guaranteed cash value resulting from assuming that the application of the MVA formula is an MVA amount of zero) shall be at least as great as that determined under the prospective test as outlined in the guidance for the core standards.
 - (ii) For other than multi-year interest rate guarantee annuities, in lieu of demonstrating compliance with the prospective test, the guaranteed cash value shall be shown to be at least as great as a percentage of the account value before application of the market value adjustment; such percentage equal to 93% in contract (or premium) year 1, increasing by 1% per year to 100% in contract (or premium) year 8 and later, plus or minus the MVA.

COMMENTS:

Industry Comment: The Industry Advisory Committee (IAC) requested that the IIPRC remove the 7%/7-year limitation of withdrawal charges for general account, non-Multi Year Guarantee annuities (item (2)(ii) above). The commenters stated that applying the prospective (smoothness) test to the unadjusted maturity value assures that the withdrawal charge pattern grades down uniformly and conforms to the general requirements for individual deferred annuities. They believe that limiting the actual market value adjustment (MVA) to the difference between the unadjusted cash surrender value and the minimum

SUBSTANTIVE CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

accumulation value determined by the retrospective test supports the IIPRC's requirement that the market value adjustment be symmetric and assures that the adjusted cash surrender value will never be less than the result of the minimum accumulation test.

The IAC does not believe there is any regulatory or consumer protection interest served by having additional restrictions on the non-forfeiture value of general account annuities with a market value adjustment that are not already addressed in the existing Standard Non-Forfeiture Law for Individual Deferred Annuities. They note that the current requirement is counter-productive since it prevents useful, consumer-centric products from being submitted and approved through the Compact. The IAC believes that product designs subject to the current 7%/ 7-year limitation deprive consumers of the potentially higher rates normally associated with higher yields on the longer investment instruments, because of asset/liability matching concerns with the company's general account portfolio.

The IAC notes that the current requirement drives companies back to state direct filings, noting that most states accept and approve general account MVA annuities with surrender charge patterns that comply with the Standard Nonforfeiture Law. The IAC observes that inconsistencies in state approach and requirements increase marketing, distribution, operations, compliance and maintenance costs, which are passed on to the consumers generally in the form of lower credited rates, further reducing the potential benefit of these product for investors who might otherwise consider them.

The IAC also observes that the current provision deprives companies of the opportunity to offer higher rates based on legitimate structural and operational differences between traditional fixed and fixed indexed annuities, and similar products with a limited market value adjustment. They believe consumers benefit when companies add an MVA to a traditional fixed annuity since it supports more efficient use of capital and companies can assume more favorable persistency because a portion of the interest rate risk is legitimately transferred to the contract owner, reducing possible adverse selection in an increasing interest rate environment. They state that in pricing models, both factors generally favor higher declared rates in both fixed and indexed-linked scenarios.

The suggested revisions would be as follows:

- (2) For purposes of the prospective test of the Law (Appendix A-2):
 - (i) ~~For multi-year interest rate guarantee annuities,~~ the unadjusted guaranteed cash value (or the guaranteed cash value resulting from assuming that the application of the MVA formula is an MVA amount of zero) shall be at least as great as that determined under the prospective test as outlined in the guidance for the core standards.

SUBSTANTIVE CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

- ~~(ii) For other than multi-year interest rate guarantee annuities, in lieu of demonstrating compliance with the prospective test, the guaranteed cash value shall be shown to be at least as great as a percentage of the account value before application of the market value adjustment; such percentage equal to 93% in contract (or premium) year 1, increasing by 1% per year to 100% in contract (or premium) year 8 and later, plus or minus the MVA.~~

IIPRC Office Comments/Observations: The IIPRC Office notes that similar concerns have been raised by filers. With the evolution of the marketplace, insurance companies face a competitive disadvantage when products must meet the limitations in the current standard and yet these products are generally accepted in the majority or more of Compacting States under state law.

IIPRC Office Recommendation: The IIPRC Office recommends that the PSC refer the proposed recommendation from the IAC (listed above) to the Actuarial Working Group for their consideration and recommendation.

SUBSTANTIVE CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

(2) BONUS BENEFITS – TERMINATION PROVISIONS

APPLIES: §2. G of the Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts.

CURRENT PROVISION:

§ 2 GENERAL FORM REQUIREMENTS

G. TERMINATION

- (1) A bonus benefit form that is attached to the contract by rider, endorsement or amendment shall include the following termination conditions:
 - (a) Upon written request from the owner;
 - (b) Upon termination of the contract; or
 - (c) Upon nonpayment of any identifiable charge.

COMMENTS:

IIPRC Office Comments/Observations: The IIPRC staff notes that they issue objections and receive questions from filers regarding the mandatory requirement for a termination provision for the benefit at the request of the owner. The bonus benefit is generally a consumer benefit that typically does not have a separate, identified premium. Companies always include the termination provision “upon termination of the contract” and “upon nonpayment of any identifiable charge,” so the added provision does not seem necessary.

IIPRC Office Recommendation: The IIPRC Office requests that the PSC consider removing this condition which generally appears not applicable or duplicative in the current list of conditions. A suggested revision to § 2. G. (1) is as follows:

- (1) A bonus benefit form that is attached to the contract by rider, endorsement or amendment shall include the following termination conditions:
 - (a) ~~Upon written request from the owner;~~
 - (~~b~~) Upon termination of the contract; or
 - (~~c~~) Upon nonpayment of any identifiable charge.

SUBSTANTIVE CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

(3) GUARANTEED LIVING BENEFITS - BENEFIT BASE

APPLIES: §2. C (1)(a) of the Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities.

CURRENT PROVISION:

§ 2 GENERAL REQUIREMENTS

C. GLB AMOUNTS

- (1) The GLB form shall describe any formulae or methodology used to determine the GLB amounts. The GLB form shall describe:
 - (a) The calculation of the guaranteed benefit base. The value of the guaranteed benefit base shall be equal to the initial premium payment, increased by any additional premium payments, and may be further increased or decreased as follows:
 - (i) Increased under specified conditions (e.g. bonus credits received on specified dates, step-up provisions, percentage increases or roll-up amounts, etc.);
 - (ii) Decreased due to a reset that is triggered by a change that is stated in the contract (e.g. a change in covered person may trigger a reset to the account value);
 - (iii) Decreased due to a reset that is triggered by a decrease in the account value or an external index. Such reset shall not allow the guaranteed benefit base to fall below the sum of all premiums paid less the greater of (a) the dollar amount of any withdrawals previously made, and (b) the value of those same withdrawals in the proportion that each withdrawal reduced the account value on the date of the withdrawal;
 - (iv) Decreased due to partial withdrawals made under a GMWB feature before some minimum time period (or attained age) or that are in excess of the guaranteed period withdrawal amount or guaranteed lifetime withdrawal amount;
 - (v) Decreased due to proportional withdrawals;
 - (vi) Increased or decreased based on changes made at the request of the owner; and/or
 - (vii) Decreased due to a GLB charge.

SUBSTANTIVE CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

COMMENTS:

Industry Comment: An Industry commenter noted that the current Guaranteed Living Benefits Standards require benefit bases to initially have a floor amount of the premium paid and only in limited circumstances could the benefit bases be dropped below premiums. The commenter suggested that if the rider is transparent about when the benefit base could be less than premium, it should be permissible. The commenter provided an example that an 80% Guaranteed Minimum Accumulation Benefit rider would not be permitted under existing standards, but such a rider would allow consumers the choice to receive a lesser guarantee at what would likely be a lower cost or other benefit. The commenter provided the following suggested recommendations to amend §2 B. (1):

(1) The GLB form shall describe any formulae or methodology used to determine the GLB amounts. The GLB form shall describe:

(a) The calculation of the guaranteed benefit base. The value of the guaranteed benefit base shall be equal to a percentage of the initial premium payment, increased by a percentage of any additional premium payments, and may be further increased or decreased as follows:

(i) Increased under specified conditions (e.g. bonus credits received on specified dates, step-up provisions, percentage increases or roll-up amounts, etc.);

(ii) Decreased due to a reset that is triggered by a change that is stated in the contract (e.g. a change in covered person may trigger a reset to the account value);

(iii) Decreased due to a reset that is triggered by a decrease in the account value or an external index. Such reset shall not allow the guaranteed benefit base to fall below a percentage of the sum of all premiums paid less the greater of (a) the dollar amount of any withdrawals previously made, and (b) the value of those same withdrawals in the proportion that each withdrawal reduced the account value on the date of the withdrawal;

(iv) Decreased due to partial withdrawals made under a GMWB feature before some minimum time period (or attained age) or that are in excess of the guaranteed period withdrawal amount or guaranteed lifetime withdrawal amount;

(v) Decreased due to proportional withdrawals;

(vi) Increased or decreased based on changes made at the request of the owner;

(vii) Decreased due to a GLB charge; and/or

(viii) Increased or decreased under provisions guaranteed in the rider.

IIPRC Office Comments/Observations: The IIPRC office observes that filers have requested flexibility in using a benefit base other than 100% of the initial premium, especially in cases

SUBSTANTIVE CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

where the GMAB is issued after the issue date of the rider. Including a benefit base that is derived on historical values that were not subject to rider charges could result in anti-selection to the Company, causing more conservative pricing which would be to the detriment of policyholders.

IIPRC Office Recommendation: The IIPRC Office notes that under Clarification Item 5, IIPRC staff recommended amending §2 B. (1)(a) to clarify that the initial benefit base is equal to the contract/account value. The PSC may wish to review the above comment and Clarification Item 5 together and consider a revision that incorporates both, as well as noting that increases and decreases under provisions guaranteed in the rider are subject to approval of the IIPRC.

(1) The GLB form shall describe any formulae or methodology used to determine the GLB amounts. The GLB form shall describe:

(a) The calculation of the guaranteed benefit base. The value of the guaranteed benefit base shall be equal to the ~~contract/account value initial premium payment, increased by any additional premium payments~~, and may be further increased or decreased as follows:

(i) Increased under specified conditions (e.g. bonus credits received on specified dates, step-up provisions, percentage increases or roll-up amounts, etc.);

(ii) Decreased due to a reset that is triggered by a change that is stated in the contract (e.g. a change in covered person may trigger a reset to the account value);

(iii) Decreased due to a reset that is triggered by a decrease in the account value or an external index. Such reset shall not allow the guaranteed benefit base to fall below a percentage of the sum of all premiums paid less the greater of (a) the dollar amount of any withdrawals previously made, and (b) the value of those same withdrawals in the proportion that each withdrawal reduced the account value on the date of the withdrawal;

(iv) Decreased due to partial withdrawals made under a GMWB feature before some minimum time period (or attained age) or that are in excess of the guaranteed period withdrawal amount or guaranteed lifetime withdrawal amount;

(v) Decreased due to proportional withdrawals;

(vi) Increased or decreased based on changes made at the request of the owner;

(vii) Decreased due to a GLB charge; and/or

(viii) Increased or decreased under provisions guaranteed in the rider and subject to approval of the IIPRC.

SUBSTANTIVE CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

4. **BENEFIT TRIGGERS - GUARANTEED LIVING BENEFITS**

APPLIES: Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities

Additional Standards for Guaranteed Living Benefits for Individual Deferred Non-Variable Annuities

CURRENT PROVISIONS:

§ 2 GENERAL REQUIREMENTS

C. GLB AMOUNTS

- (1) The GLB form shall describe any formulae or methodology used to determine the GLB amounts. The GLB form shall describe:
 - (b) For a GMWB feature, the calculation of the guaranteed period withdrawal amount or the guaranteed lifetime withdrawal amount, and how the guaranteed period withdrawal percentage or the guaranteed lifetime withdrawal percentage used in that calculation might increase under specified conditions (e.g. when the covered life is receiving care from a health care facility or is unable to perform a specified number of “activities of daily living”). – See Filing Information Notice 2013-1: Guaranteed Living Benefit Amounts Contingent on Inability to Perform Activities of Daily Living or Receiving Care from a Health Facility).

COMMENTS:

Industry Comment: The IAC suggests that the Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable and Nonvariable Annuities require substantial revisions to address additional benefit triggers and increased withdrawal benefits based on certain benefit triggers. The IAC notes that when these standards were first developed and adopted by the IIPRC, the industry was primarily offering traditional GLWB, GMAB and GMIB rider benefits. Ideas for new products and riders that would serve specific consumer needs were still evolving and in the developmental stages.

In recent years, GLWB riders with enhanced features have become widely available in the marketplace. One of these features is an enhancement to a traditional GLB rider that provides increased payments upon confinement to a nursing home, inability to perform activities of daily living, diagnosis of a severe cognitive impairment, or diagnosis of a terminal illness. With a majority of states approving these enhanced GLB rider benefits on annuity products and a growing number of companies offering these riders, the IAC recommends that the IIPRC update the standards to accommodate the benefit triggers. The IAC notes that similar triggers are

SUBSTANTIVE CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

included in the Additional Standards for Accelerated Death Benefits and the Additional Standards for Waiver of Surrender Charge Benefit.

IIPRC Office Comments/Observations: The IIPRC Office notes that similar concerns have been raised by filers. Features as described by the IAC are presented to the IIPRC in pre-filing communications as well as pending filings. Filing companies have had to withdraw filings in whole or in part because of certain benefit features that were not contemplated at the time the standards were developed.

IIPRC Office Recommendation: The IIPRC Office recommends that staff work with the PSC to amend these uniform standards to address these enhanced GLB rider benefits. In addition to their written comments, the IAC submitted redlined drafts for the PSC's consideration. The IIPRC Office will work with the PSC to provide suggested revisions that are consistent with other uniform standards with similar benefit triggers.

CLARIFICATION CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

Clarification Items

Clarification items are proposed edits to clarify the meaning, application, and/or intent of a provision in the Uniform Standard. Clarification items would not change the meaning or effect of the provision or the current application and interpretation of the provision or Uniform Standard but would provide further or detailed explanation, description, or specification to the language in the Uniform Standard. The clarification items are compiled not only from suggestions or issues in the Comments but also from questions, issues, and circumstances that have arisen in the application and interpretation of the Uniform Standards by the IIPRC product and actuarial reviewers.

List of Clarification Items

1. Bonus Benefits – Non-level Interest Rate Guarantee
2. Market Value Adjustment – Limitation on Surrender Charges
3. Definition of Multi-Year Interest Rate Guarantee Annuity
4. MVA Feature Methodology
5. Calculation of the Guaranteed Benefit Base for GLB
6. Scope of GLB - Guaranteed Withdrawal Benefit

CLARIFICATION CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

1. **BONUS BENEFITS - Non-Level Interest Rate Guarantee**

APPLIES: Scope of the Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts.

CURRENT PROVISION:

Scope: These standards apply to bonus benefits that are built into individual deferred variable annuity contracts or added to such contracts by rider, endorsement or amendment. The bonus benefit can be an interest bonus, a premium bonus, a persistency bonus or any other amounts/percentages that are credited to the premiums paid, account value, cash value, cash surrender value or annuity/maturity value under a specified condition, other than benefits of the type described above that are provided through any pattern of non-level interest rate guarantees on the general account portion of the contract that may be similar to but are not specifically referred to as bonuses or additional credits. The bonus benefit form may reference the bonus as a credit, enhancement, bonus or similar terminology.

COMMENTS:

IIPRC Office Comment/Observation: IIPRC staff notes that it may be helpful to filers and avoid questions or objections if the scope defines or explains the term “non-level interest rate guarantees.”

IIPRC Office Recommendation: The IIPRC Office recommends the following clarification to the Scope of the Standard:

Scope: These standards apply to bonus benefits that are built into individual deferred variable annuity contracts or added to such contracts by rider, endorsement or amendment. The bonus benefit can be an interest bonus, a premium bonus, a persistency bonus or any other amounts/percentages that are credited to the premiums paid, account value, cash value, cash surrender value or annuity/maturity value under a specified condition, other than benefits of the type described above that are provided through any pattern of non-level interest rate guarantees (Interest rate guarantees that vary over time) on the general account portion of the contract that may be similar to but are not specifically referred to as bonuses or additional credits. The bonus benefit form may reference the bonus as a credit, enhancement, bonus or similar terminology.

CLARIFICATION CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

2. LIMITATION ON SURRENDER CHARGES

APPLIES: Appendix B of the Additional Standards for Market Value Adjustment Feature Provided through the General Account.

CURRENT PROVISION:

(2) For purposes of the prospective test of the Law (Appendix A-2):

(i) For multi-year interest rate guarantee annuities, the unadjusted guaranteed cash value (or the guaranteed cash value resulting from assuming that the application of the MVA formula is an MVA amount of zero) shall be at least as great as that determined under the prospective test as outlined in the guidance for the core standards.

(ii) For other than multi-year interest rate guarantee annuities, in lieu of demonstrating compliance with the prospective test, the guaranteed cash value shall be shown to be at least as great as a percentage of the account value before application of the market value adjustment; such percentage equal to 93% in contract (or premium) year 1, increasing by 1% per year to 100% in contract (or premium) year 8 and later, plus or minus the MVA.

COMMENTS:

IIPRC Office Comments/Observations: The IIPRC Office issues objections and responds to questions raised by filers about limitations on surrender charges for products that are not multi-year interest rate guarantee annuities. It would be helpful to filers and eliminate confusion if the information was provided within the standard itself instead of only in Appendix B

IIPRC Office Recommendation: The IIPRC Office recommends the following revisions to provide clarity regarding the requirements for other than multi-year interest rate guarantee annuities:

Scope: These standards apply to market value adjustment (MVA) features provided through the general account that are built into individual deferred non-variable annuity contracts (including index-linked annuities) or the general account portions of individual deferred variable annuities (including index-linked annuities) or added to such contracts at issue by rider, endorsement or amendment. The MVA feature 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. These standards do not apply to MVA features provided through the use of separate accounts.

CLARIFICATION CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

Actuarial demonstration requirements and MVA feature provision differ for products that meet the definition of Multi-Year Interest Rate Guarantee Annuities and those that do not.

§1. ADDITIONAL SUBMISSION REQUIREMENTS

B. ACTUARIAL MEMORANDUM

- (1)(f) A demonstration that the values of the contract, ~~after application of any market value adjustment,~~ comply with the nonforfeiture requirements, including Appendix A-1 and Appendix A-2 of the ~~provisions of the NAIC Standard Nonforfeiture Law for Individual Deferred Annuities, model #805, as interpreted in the~~ Individual Deferred Non-Variable Annuity Contract Standards, to which these standards are attached. ~~Any MVA assumptions used in the nonforfeiture demonstration shall be disclosed in Appendices A-1 and A-2 described in the Individual Deferred Non-Variable Annuity Contract Standards and further elaborated on in Appendix B attached.~~ Modifications to these demonstrations are outlined in Appendix B and apply different requirements for Multi-Year Interest Rate Guarantee Annuities and other than Multi-Year Interest Rate Guarantee Annuities.

CLARIFICATION CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

3. DEFINITION OF MULTI-YEAR INTEREST RATE GUARANTEE ANNUITY

APPLIES: Definitions in the Additional Standards for Market Value Adjustment Feature Provided through the General Account and the Additional Standards for Market Value Adjustment Feature Provided through a Separate Account.

CURRENT PROVISION:

As used in these standards, the following definitions apply:

“Multi-Year Interest Rate Guarantee Annuity” is defined as an annuity with an MVA where: (i) interest is declared at the beginning of a specified multi-year period of time and is not subject to change (either up or down); and (ii) the end of this period is a guaranteed benefit date where the entire cash surrender value without market value adjustment is made available to the contract holder. For the purposes of this standard, an annuity with a one year guarantee and an MVA may be treated as a multi-year interest rate guarantee annuity, as long as the guaranteed benefit date is at the end of the one year period. This multi-year interest rate guarantee annuity may allow for a renewal of the interest rate guarantee subject to the limitations in the definition of the multi-year interest rate guarantee annuity specified in (i) and (ii) above.

COMMENTS:

IIPRC Office Comments/Observations: The IIPRC Office notes that it issues objections to filers who were under the impression that indexed linked annuities qualify as Multi-Year Interest Rate Guarantee Annuities because the formula and parameters for the index are guaranteed. The IIPRC office does not consider indexed linked annuities to qualify as Multi-Year Interest Rate Guarantee Annuities because the interest is not declared at the beginning of the period; rather a formula is declared, and the rate can move up or down, depending on the Index, during the multi-year period. The IIPRC Office believes it would be helpful to clarify the definition of Multi-Year Interest Rate Guarantee Annuity to state that indexed linked annuities do not qualify.

IIPRC Office Recommendation: The IIPRC Office recommends the following clarifying language be added to the definition of Multi-Year Interest Rate Guarantee Annuity:

“Multi-Year Interest Rate Guarantee Annuity” is defined as an annuity with an MVA where: (i) interest is declared at the beginning of a specified multi-year period of time and is not subject to change (either up or down); and (ii) the end of this period is a guaranteed benefit date where the entire cash surrender value without market value adjustment is made available to the contractholder. For the purposes of this standard, an annuity with a one year guarantee and an MVA may be treated as a multi-year interest rate guarantee annuity, as long as the guaranteed benefit date is at the end of the one year period. This multi-year

CLARIFICATION CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

interest rate guarantee annuity may allow for a renewal of the interest rate guarantee subject to the limitations in the definition of the multi-year interest rate guarantee annuity specified in (i) and (ii) above. An indexed linked annuity is not a Multi-Year Interest Rate Guarantee Annuity.

CLARIFICATION CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

5. MVA FEATURE – METHODOLOGY

APPLIES: §3 MVA Feature Provision for Additional Standards for Market Value Adjustment Feature Provided through the General Account and Additional Standards for Market Value Adjustment Feature Provided through a Separate Account.

CURRENT PROVISION:

§3. MVA FEATURE PROVISIONS

C. MARKET VALUE ADJUSTMENT

- (8) For multi-year interest rate guarantee annuities, the following shall be included:
- (a) The procedure to determine the rate to be used in the event that the current guaranteed interest rate cannot be determined from the company's contracts then being offered; and
 - (b) A statement of the procedure to determine the adjustment in the event the company no longer issues multi-year interest rate guarantee annuities.

COMMENTS:

IIPRC Office Comments/Observations: The IIPRC Office notes that this provision only applies if the market value is a function of the company's current rate. This is an area of confusion with some filers, resulting in additional communications and potential delays.

IIPRC Office Recommendation: The IIPRC Office recommends the following addition to clarify the application of this provision:

- (8) For multi-year interest rate guarantee annuities based on current rate, the following shall be included:
- (a) The procedure to determine the rate to be used in the event that the current guaranteed interest rate cannot be determined from the company's contracts then being offered; and
 - (b) A statement of the procedure to determine the adjustment in the event the company no longer issues multi-year interest rate guarantee annuities.

CLARIFICATION CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

5. CALCULATION OF GUARANTEED BENEFIT BASE FOR GLB

APPLIES: Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities.

CURRENT PROVISION:

§ 2 GENERAL REQUIREMENTS

C. GLB AMOUNTS

- (1) The GLB form shall describe any formulae or methodology used to determine the GLB amounts. The GLB form shall describe:
 - (a) The calculation of the guaranteed benefit base. The value of the guaranteed benefit base shall be equal to the initial premium payment, increased by any additional premium payments, and may be further increased or decreased as follows:
 - (i) Increased under specified conditions (e.g. bonus credits received on specified dates, step-up provisions, percentage increases or roll-up amounts, etc.);
 - (ii) Decreased due to a reset that is triggered by a change that is stated in the contract (e.g. a change in covered person may trigger a reset to the account value);
 - (iii) Decreased due to a reset that is triggered by a decrease in the account value or an external index. Such reset shall not allow the guaranteed benefit base to fall below the sum of all premiums paid less the greater of (a) the dollar amount of any withdrawals previously made, and (b) the value of those same withdrawals in the proportion that each withdrawal reduced the account value on the date of the withdrawal;
 - (iv) Decreased due to partial withdrawals made under a GMWB feature before some minimum time period (or attained age) or that are in excess of the guaranteed period withdrawal amount or guaranteed lifetime withdrawal amount;
 - (v) Decreased due to proportional withdrawals;
 - (vi) Increased or decreased based on changes made at the request of the owner; and/or

CLARIFICATION CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

(vii) Decreased due to a GLB charge.

COMMENTS:

IIPRC Office Comments/Observations: The IIPRC Office notes that if the Guaranteed Living Benefit is added after contract issue, the account values will fluctuate based on investment experience and most likely will not be equal to the initial premium payment. In such situations, IIPRC staff interprets the provision to be that the initial benefit base is equal to the contract/account value.

IIPRC Office Recommendation: The IIPRC Office recommends that the PSC consider amending the provision to clarify that the initial benefit base is equal to the contract/account value.

- (1) The GLB form shall describe any formulae or methodology used to determine the GLB amounts. The GLB form shall describe:
 - (a) The calculation of the guaranteed benefit base. The value of the guaranteed benefit base shall be equal to the contract/account value ~~initial premium payment, increased by any additional premium payments~~, and may be further increased or decreased as follows:

CLARIFICATION CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

6. SCOPE OF GLB – GUARANTEED WITHDRAWAL BENEFIT

APPLIES: Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities

Additional Standards for Guaranteed Living Benefits for Individual Deferred Non-Variable Annuities

CURRENT PROVISION:

Scope: These standards apply to guaranteed living benefits (GLB) that are built into individual deferred variable annuity contracts or added to such contracts by rider, endorsement or amendment. The GLB feature provides for a minimum guarantee under specified conditions for any of the following: (1) periodic withdrawals (Guaranteed Minimum Withdrawal Benefit or GMWB); (2) the annuitization amount and related annual income amount (Guaranteed Minimum Income Benefit or GMIB); or (3) the account value after a specified period of time (Guaranteed Minimum Accumulation Benefit or GMAB).

Scope: These standards apply to guaranteed living benefits (GLB) that are built into individual deferred non-variable annuity contracts (including index-linked annuities) or added to such contracts by rider, endorsement or amendment. The GLB feature provides for a minimum guarantee under specified conditions for any of the following: (1) periodic withdrawals (Guaranteed Minimum Withdrawal Benefit or GMWB); (2) the annuitization amount and related annual income amount (Guaranteed Minimum Income Benefit or GMIB); or (3) the account value after a specified period of time (Guaranteed Minimum Accumulation Benefit or GMAB).

COMMENTS:

IIPRC Office Comments/Observations: In February 2013, the IIPRC Office issued Filing Information Notice 2013-1 to provide clarification of a parenthetical clause in the GLB Standards that when read in conjunction with the LTC Standards requires submissions that contain a guaranteed withdrawal benefit in which the benefit or the amount of the benefit is contingent on the covered person not being able to perform a certain number of activities of daily living or receiving care from a health facility to also show compliance with the applicable Long Term Care Standards. Unlike the Additional Standards for Accelerated Death Benefits, the current Scope of these Uniform Standards does not specify that if the benefit or withdrawal benefit is contingent on the covered person not being able to perform a certain number of activities of daily living or receiving care from a health facility, the filing must comply with the applicable Long Term Care Standards.

CLARIFICATION CHANGE ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

Industry Comment: The IAC submitted comments requesting substantial changes to these uniform standards including amending the Scope of these standards.

IIPRC Office Recommendation: The IIPRC Office recommends that the PSC consider amending the Scope of the Guaranteed Living Benefits Uniform Standards to clarify that if the benefit or withdrawal benefit is contingent on the covered life receiving care from a health care facility or is unable to perform a specified number of activities of daily living, the product filing must comply with the uniform standards for individual long-term care insurance. The IIPRC office suggests language similar to that found in the Scope of the Additional Standards for Accelerated Death Benefits.

Scope: These standards apply to guaranteed living benefits (GLB) that are built into individual deferred non-variable annuity contracts (including index-linked annuities) or added to such contracts by rider, endorsement or amendment. The GLB feature provides for a minimum guarantee under specified conditions for any of the following: (1) periodic withdrawals (Guaranteed Minimum Withdrawal Benefit or GMWB); (2) the annuitization amount and related annual income amount (Guaranteed Minimum Income Benefit or GMIB; or (3) the account value after a specified period of time (Guaranteed Minimum Accumulation Benefit or GMAB).

Products subject to these standards shall not be described as long-term care insurance or as providing long-term care benefits. If the benefit or withdrawal benefit is contingent on the covered life receiving care from a health care facility or is unable to perform a specified number of activities of daily living, these standards shall not apply and such benefit will be subject to the Interstate Insurance Product Regulation Commission standards for individual long-term care insurance.

CONFORMING AMENDMENT ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

Conforming Amendments

Pursuant to Article III of the Bylaws of the Interstate Insurance Product Regulation Commission, the Commission established procedures for Conforming Amendments to Uniform Standards. A conforming amendment is an amendment to an existing Uniform Standard where the substantive provisions of the amendment are included in another adopted Uniform Standard and the amendment will have the same substantive effect on the application of the existing Uniform Standard as it does on in the other adopted Uniform Standard. As part of the Five Year Review process, the applicable changes adopted by the Commission in the Phase One process will be presented as conforming amendments to standards subject to Phases 2, 3 and 4 of the process. These items will be presented to the Management Committee for Conforming Amendments.

List of Conforming Amendments

1. Bonus Features for Deferred Variable Annuities
2. Actuarial Demonstrations

CONFORMING AMENDMENT ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

1. **BONUS FEATURES FOR DEFERRED VARIABLE ANNUITIES** (*Cross-Reference to IIPRC Office Report 8/15/14– Clarification Item #6*)

APPLIES: Scope and General Form Requirements of Additional Standards for Bonus Benefits for Individual Deferred Variable Annuities.

CONFORMING AMENDMENT

Scope: These standards apply to bonus benefits that are built into individual deferred variable annuity contracts or added to such contracts by rider, endorsement or amendment. The bonus benefit can be an interest bonus, a premium bonus, a persistency bonus or any other amounts/percentages that are credited to the premiums paid, account value, cash value, cash surrender value or annuity/maturity value under a specified condition, other than benefits of the type described above that are provided through any pattern of non-level interest rate guarantees on the general account portion of the contract that may be similar to but are not specifically referred to as bonuses or additional credits. The bonus benefit form may reference the bonus as a credit, enhancement, bonus or similar terminology.

These standards do not apply to products with a zero (0) bonus.

§ 2 GENERAL FORM REQUIREMENTS

B. SPECIFICATIONS PAGE

- (1) The specifications page of the bonus benefit form shall include any guaranteed elements used in determining the bonus benefit and a statement, if applicable, that:
 - (a) The elements used in determining the bonus benefit are not guaranteed and can be changed by the company, subject to the guarantees in the bonus benefit form, and that any such changes can affect the account value.
 - (b) There may be situations in which your bonus benefit may not be fully earned and the owner should read the bonus benefit, surrender charge and bonus benefit forfeiture provisions (or the provisions where those topics are addressed) of the contract carefully.
- (2) The specifications page of the bonus benefit form shall include any identifiable charge for the bonus benefit.
- (3) Separate policy forms must be submitted when the product is being offered with bonus and non-bonus features. Separate specifications pages to handle both cannot be accepted.**

CONFORMING AMENDMENT ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

- (4) For variations in types of bonuses or guaranteed elements for bonus features, these benefits can be shown through different specifications pages, with a generic cover page indicating a bonus is present. Alternatively, separate policy forms may be submitted to reflect the variations.**

E. CONDITIONS UNDER WHICH BONUS BENEFIT MAY BE FORFEITED

- (1) The contract may, at the option of the company, deduct from the account value the amount of any bonus benefit credited, provided the following conditions are met:
- (a) The conditions for forfeiture are described in the contract;
 - (b) Forfeiture of the bonus will not reduce the cash value below the minimum nonforfeiture benefit as required under this standard; ~~and~~
 - (c) No bonus will be forfeited after the end of the surrender charge period.; and
 - (d) A zero bonus is not acceptable under the conditions outlined.**

CONFORMING AMENDMENT ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

2. **ACTUARIAL DEMONSTRATIONS** *(Cross-Reference to IIPRC Office Report 8/13/13– Clarification Item #10)*

APPLIES: Additional submission requirements for Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contract.

CONFORMING AMENDMENT

§ 1 ADDITIONAL SUBMISSION REQUIREMENTS

B. ACTUARIAL MEMORANDUM REQUIREMENTS

- (1) The actuarial memorandum required by the Individual Deferred Variable Annuity Contract Standards to which these bonus benefit standards are attached, and which is prepared, dated and signed by the member of the American Academy of Actuaries, shall include the following bonus benefit information concerning the calculation of the nonforfeiture values **(including both cash surrender values and nonforfeiture values)**:

TECHNICAL ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

Technical Items

Technical items are proposed changes and corrections to the Uniform Standards to make formatting, typographical, and/or drafting corrections that would not change the meaning or effect of the provision, or the current application and interpretation of the provision or applicable Uniform Standards. Technical items would also encompass changes that would make the Uniform Standards consistent with one another where appropriate, in terms of formatting and wording. The IIPRC Office will insert and clearly distinguish technical items in the Uniform Standards. As has been the practice when making technical changes to the Uniform Standards during the rulemaking process, these technical items will not be specifically discussed unless there is a concern or question raised by members, regulators, or interested parties.

List of Technical Change Items

1. Inclusion of Table of Contents
2. Inclusion of Standard Title in Header
3. Additional Submission Requirements - Language Consistency
4. Additional Standards – Consistency in Title
5. Inclusion of Mix and Match and Self-Certification
6. Formatting Consistency

TECHNICAL ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

1. INCLUSION OF TABLE OF CONENTS

APPLIES: All Uniform Standards subject to Phase 5 of the Five Year review.

CURRENT PROVISION: These Uniform Standards do not contain a Table of Contents.

COMMENTS:

IIPRC Office Comment/Observation: The IIPRC Office received a suggestion through the website to include a Table of Contents in all Uniform Standards.

IIPRC Office Recommendation: The IIPRC Office agrees with this suggestion and has been incorporating Table of Contents to all Uniform Standards as they become subject to Five Year review.

TECHNICAL ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

2. INCLUSION OF STANDARD TITLE IN HEADER

APPLIES: All Uniform Standards subject to Phase 5 of the Five Year review.

CURRENT PROVISION: These Uniform Standards do not contain the name of the Uniform Standard in the header.

COMMENTS:

IIPRC Office Comment/Observation: The IIPRC Office notes that the header currently provides the effective date of the standard, but does not identify the standard. It is sometimes difficult to identify the Standard when multiple Standards are viewed at the same time.

IIPRC Office Recommendation: The IIPRC Office recommends adding the title of the standard to the header of all Uniform Standards subject to this Five Year review.

TECHNICAL ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

3. ADDITIONAL SUBMISSION REQUIREMENTS – LANGUAGE CONSISTENCY

APPLIES:

Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts

Additional Standards for Market Value Adjustment Feature Provided Through the General

Additional Standards for Market Value Adjustment Feature Provided Through a Separate

Additional Standards for Guaranteed Living Benefits for Individual Deferred Non-Variable Annuities

Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities

Additional Standards for Guaranteed Minimum Death Benefits for Individual Deferred Variable Annuities

Additional Standards for Intermediate Period Endowment Benefit Features for Individual Life Insurance Policies

CURRENT PROVISION (Sample from Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities):

§ 1 ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL

The following additional filing submission requirements apply:

- (1) If a GLB feature is provided by attachment to the contract by rider, endorsement or amendment, the following shall be included:
 - (a) A listing by filing jurisdiction of the types of contracts with which the GLB form will be used, including the contract form numbers, the corresponding approval date for these contracts and any filing identification number.
 - (b) A statement as to whether the GLB form will be made part of the contract at issue or is intended for use after the date of issue of a contract, or both.
 - (c) A statement as to whether the GLB form is intended for use with new issues and/or in force business.
 - (d) A description of the GLB feature for all types of contract forms with which the benefit will be used.
 - (e) Any contract pages or provisions referenced in the GLB form.

COMMENTS:

IAC Comments: The IAC submitted written comments in November 2012 requesting that the Additional Submission Requirements in all Uniform Standards be consistent.

TECHNICAL ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

IIPRC Office Comment/Observation: The IIPRC Office agrees that the Uniform Standards be consistent and directive since they are filing requirements.

IIPRC Office Recommendation: The IIPRC recommends that the ADDITIONAL SUBMISSION REQUIREMENTS provision be amended for consistency and to be more directive.

§ 1 ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL

- (1) If a GLB feature is provided by attachment to the contract by rider, endorsement or amendment, ~~the following shall be~~ included:
 - (a) A listing by filing jurisdiction of the types of contracts with which the GLB form will be used, including the contract form numbers, the corresponding approval date for these contracts and any filing identification number.
 - (b) A statement as to whether the GLB form will be made part of the contract at issue or is intended for use after the date of issue of a contract, or both.
 - (c) A statement as to whether the GLB form is intended for use with new issues and/or in force business.
 - (d) A description of the GLB feature for all types of contract forms with which the benefit will be used.
 - (e) Any contract pages or provisions referenced in the GLB form.

TECHNICAL ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

4. ADDITIONAL STANDARDS – CONSISTENCY IN TITLE

APPLIES: Standards for Waiver of Premium Benefit for Child Insurance in the Event of Payor's Total Disability or Death.

CURRENT PROVISION: This additional standard is titled “Standards for” while others are titled “Additional Standards for.”

COMMENTS:

IIPRC Office Comment/Observation: During the initial drafting of some of the earlier additional standards, the title of the standard did not reflect that it was an “additional” standard for specific product types. Later additional standards were titled “Additional Standards for,” providing clarity that other standards also applied, depending on the product type

IIPRC Office Recommendation: The IIPRC Office recommends adding the word “Additional” to Standards for Waiver of Premium Benefit for Child Insurance in the Event of Payor's Total Disability or Death for clarity and consistency:

TECHNICAL ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

5. INCLUSION OF MIX AND MATCH AND SELF-CERTIFICATION

APPLIES: The following standards do not have Mix and Match or Self Certification provisions:

Standards for Waiver of Premium Benefit for Child Insurance in the Event of Payor's Total Disability or Death
Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts
Additional Standards for Market Value Adjustment Feature Provided Through the General
Additional Standards for Market Value Adjustment Feature Provided Through a Separate

The following standards do not have Self Certification provisions:

Additional Standards for Guaranteed Minimum Death Benefits for Individual Deferred Variable Annuities
Additional Standards for Guaranteed Living Benefits for Individual Deferred Non-Variable Annuities
Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities
Additional Standards for Intermediate Period Endowment Benefit Features for Individual Life Insurance Policies

CURRENT PROVISION: Currently, if the Uniform Standards are silent with regard to Mix and Match, it is permitted. If the Uniform Standards are silent with regard to Self-Certification, it is not permitted.

COMMENTS:

IAC Comments: The IAC has suggested that each Uniform Standards include the Mix and Match and Self-Certification statements.

IIPRC Office Comment/Observation: During the initial drafting of these applicable Uniform Standards, there was a timeline in place regarding the duration of Mix and Match. That timeline was removed in December 2009. When the timeline was removed, it was stated that if the Uniform Standards were silent with regard to Mix and Match, then it was permitted. The development and adoption of the Rule for the Self-Certification of Product Components filed with the Interstate Insurance Product Regulation Commission took place after the development of the Uniform Standards subject to this five year review. The Self-Certification Rule states that a “self-certified product filing may be made for Product Components which have been designated for self-certification as expressly authorized by the applicable Uniform Standard.” (§102(a))

IIPRC Office Recommendation: The IIPRC Office recommends that this would be the appropriate time to insert the language into the Uniform Standards.

TECHNICAL ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

Mix and Match: These standards are available to be used in combination with State Product Components as described in Section 111(b) of the Operating Procedure for the Filing and Approval of Product Filings.

Self-Certification: These standards are not available to be filed using the Rule for the Self-Certification of Product Components Filed with the Interstate Insurance Product Regulation Commission.

TECHNICAL ITEMS

5-Year Review, Phase 5 (Certain Uniform Standards Effective On or Before June 30, 2010)

6. FORMATTING CONSISTENCY

APPLIES: Standards for Waiver of Premium Benefit for Child Insurance in the Event of Payor's Total Disability or Death.

CURRENT PROVISION: Currently there is no Section and item numbering in this Uniform Standard.

COMMENTS:

IIPRC Office Comment/Observation: During the drafting of this Uniform Standard the Section, and item numbering was overlooked. It makes it rather difficult to provide a proper citation in filing correspondence without these.

IIPRC Office Recommendation: The IIPRC Office recommends amending the aforementioned Uniform Standard to include Section and item numbering consistent with other Uniform Standards.

§ 1 ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL

The following additional filing submission requirements shall apply:

- (1) A statement of the type of policy forms with which this benefit will be offered, any underwriting restrictions involving face amount or age, and whether the benefit is intended for use with new issues and/or in force business.
- (2) A description of the benefit for all types of forms with which the benefit will be used.
- (3) The formulae, if any, used to determine the benefit, including any limitations on the amount of the benefit and sample calculations for representative issue ages, including issue age 35 if within the issue age range.

Phase Five Standards

IIPRC-A-03-I-BONUS

Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts

IIPRC-L-08-LB-I-WPBChild

Standards for Waiver of Premium Benefit for Child Insurance in the Event of Payor's Total Disability or Death

IIPRC-A-07-I-2

Additional Standards for Market Value Adjustment Feature Provided Through the General

IIPRC-A-07-I-3

Additional Standards for Market Value Adjustment Feature Provided Through a Separate

IIPRC-A-03-I-GLB

Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities

IIPRC-AB-I-GMDB

Additional Standards for Guaranteed Minimum Death Benefits for Individual Deferred Variable Annuities

IIPRC-AB-02-I-GLB

Additional Standards for Guaranteed Living Benefits for Individual Deferred Non-Variable Annuities

IIPRC-LB-04-I-ROP

Additional Standards for Intermediate Period Endowment Benefit Features for Individual Life Insurance Policies