

November 18, 2019

Comments on “**ADDITIONAL STANDARDS FOR WAIVER OF SURRENDER
CHARGE BENEFIT FOR LIFE INSURANCE**”

John Robinson FSA, FCA, MAAA, Minnesota

Roger,

I offer the following comments which you may forward to the discussants.

Pages 1-2 of the draft indicate as follows:

“Qualifying event” means any of the following, as long as the event meets the requirements of this standard:

- (1) Diagnosis of limited life expectancy or life-threatening condition;*
- (2) Diagnosis of cognitive impairment;*
- (3) Assessment by a qualified professional establishing inability to perform certain activities of daily living;*
- (4) Receipt of care from a health care facility;*
- (5) Disability; or*
- (6) Unemployment.*

The six contingencies identified are proposed to be triggers for the waiver of surrender charge benefit.

My concern is the relationship between the items in this list and the contingencies for which the current valuation table (based on the 1952 Disability Study of the Society of Actuaries). As an example, it is my understanding that the valuation table does not contemplate unemployment as a benefit trigger. While reserving might not be in the purview of this group, allowing product features that might create regulatory problems elsewhere should not be done without the awareness of the potentially affected parties.

The Society of Actuaries (SOA) is currently in the initial stages of developing a new valuation table for individual waiver of premium benefits. I ask that IIPRC’s actuarial staff contact the SOA’s research experts and discuss this matter.

Thank you.

John Robinson FSA, FCA, MAAA
Director PBR – Valuation Actuary

