



**DATE:** December 12, 2023

**TO:** Interested Parties

**FROM:** Product Standards Committee

**RE:** **Draft Standards for the Index Linked Variable Annuity (ILVA) Uniform Standards**  
**Draft amendments to the Individual Annuity Application Standards**  
**Draft amendments to the Additional Standards for Market Value Adjustment Feature**  
**Provided Through A Separate Account**

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The Product Standards Committee (PSC) formed a drafting subgroup to develop the initial drafts of the Index Linked Variable Annuity (ILVA) Uniform Standard. The subgroup exposed a first draft and held a public call to receive comments. The subgroup prepared a second draft based on the comments received and asked for comments. The subgroup revised the draft and submitted the second draft to the PSC along with amendments to the *Individual Annuity Application Standards* and the *Additional Standards for Market Value Adjustment Feature Provided Through a Separate Account*. The Product Standards Committee reviewed the drafts and is exposing the revised drafts for public comment along with a compilation of the comments received on the second draft. The compilation of comments is attached to this memo.

The PSC will not be considering whether to include other interim value approaches as this has been fully vetted at the ILVA subgroup and is a policy decision for the Commission.

The PSC asks for responses to the following questions:

1. What is the need to specify Rule 12h-7 as this draft already allows restrictions for federal law? How can the draft address the concern the standards may need to be amended if the citation in the SEC rules change? Please comment on the extent of agreement that since Rule 12h-7 recognizes state law in terms of the ability to restrict assignment, restriction on assignment would only be available for Compact products in those states that did not prohibit restrictions on assignment.
2. Please provide comments on the new provision regarding Appendix C – Illustration Examples of Interim Value Methodology.
3. Please provide comments on the requirement in the Application Standards regarding an acknowledgement of a product comparison. The PSC is seeking specific reasons and examples for whether to include or remove this requirement prior to making its recommendation to the Product Standards Committee.