

February 29, 2024

Interstate Insurance Product Regulation Commission  
444 North Capitol Street, NW  
Hall of the States, Suite 700  
Washington, DC 20001

**RE: Draft Uniform Product Standards for ILVAs/RILAs**

Members of the Management Committee:

The American Council of Life Insurers (ACLI)<sup>1</sup> and the Committee of Annuity Insurers (CAI)<sup>2</sup> appreciate this opportunity to submit comments on the Compact's 4<sup>th</sup> draft of core uniform product standards for index-linked variable annuities (ILVAs), also known as registered index-linked annuities (RILAs), which is entitled *Standards for Individual Deferred Index-Linked Variable Annuity Contracts*, as well as its proposed amendments to the *Additional Standards for Market Value Adjustment Feature Provided Through a Separate Account*.

We would like to thank the members of the Product Standards Committee (PSC) and its ILVA Subgroup, as well as Compact staff, for their collaboration with us over the past year to develop standards that reflect, and will continue to allow, the diversity and innovation that the ILVA marketplace has enjoyed in recent years. ACLI and CAI strongly support these draft standards and look forward to their final adoption by the Compact.

We are offering only one comment on the aforementioned standards, and that relates to the index substitution requirement in Section 3.K of the core standards. In our comment letter dated May 5, 2023 in response to the initial draft of core standards, we asked the ILVA Subgroup to clarify that the provision pertains only to the substitution of an index during an index strategy term. In the Subgroup's responses to industry's comments dated July 11, 2023, the Subgroup confirmed this, as follows:

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<sup>1</sup> The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 275 member companies represent 93 percent of industry assets in the United States.

<sup>2</sup> The Committee of Annuity Insurers is a coalition of life insurance companies that issue annuities. It was formed in 1981 to address legislative and regulatory issues relevant to the annuity industry and to participate in the development of public policy with respect to securities, state regulatory and tax issues affecting annuities. The CAI's current 32 member companies represent approximately 80% of the annuity business in the United States.

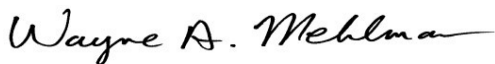
*With respect to discontinuation of an index, Section 3K allows the company to substitute another index for in force contracts to address discontinuation or substantial changes to an index during an index strategy term. This does not prohibit discontinuing the availability of an index or index strategy at the end of Index Strategy terms or from no longer making an index strategy or index available for new issues.*

To ensure clarity regarding the intent of Section 3.K in the future, we request that the Compact add a Drafting Note with this exact language at the end of this subsection.

Thanks again for this opportunity to comment and we look forward to discussing this matter during the Joint Meeting of the Management Committee and Commission in Phoenix on March 18.

Respectfully submitted,

**AMERICAN COUNCIL OF LIFE INSURERS (ACLI)**



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