



REQUEST FOR NEW UNIFORM STANDARDS OR CHANGES TO UNIFORM STANDARDS

NAME OF PERSON REQUESTING CHANGE: American Council of Life Insurers

AFFILIATION: Industry Advisory Committee

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REQUEST IS FOR: New Standard

DETAILED DESCRIPTION OF THE REQUEST, INCLUDING THE SCOPE IF A NEW UNIFORM STANDARD, AND IF APPROPRIATE ALSO INCLUDE PROPOSED LANGUAGE CONSIDERATION: We request that the Compact develop new uniform standards for protected income solutions.

DETAILED EXPLANATION OF THE REASON FOR THE REQUEST. IF A NEW UNIFORM STANDARD, PLEASE PROVIDE SUPPORT THAT THIS TYPE OF PRODUCT HAS BEEN FILED AND APPROVED IN COMPACTING STATES. IF AN AMENDMENT TO AN EXISTING UNIFORM STANDARDS, PLEASE PROVIDE SUPPORT FOR HOW CIRCUMSTANCES OR UNDERLYING ASSUMPTIONS (WHETHER IN REGULATION, IN THE MARKETPLACE OR OTHERWISE) HAVE CHANGED: Protected income solutions (PIS) are an important benefit design that does not fit into the language in the proposed Additional Standards for Guaranteed Living Benefits (GLBs) for Individual Deferred Variable Annuities or Individual Deferred Index Linked Variable Annuity Contracts. As with GLB benefits, PIS provide longevity protection by continuing lifetime income payments even after the account value is exhausted. PIS allow the income payments to increase, decrease, or

stay the same based upon the index performance of the index strategies chosen, subject to the levels of downside protection included in those index strategies. The design allows contract holders to choose the levels of downside protection and growth potential that aligns to their risk tolerance, while offering the flexibility to adjust as their needs change throughout retirement, including the ability to lock in a minimum income amount by electing index strategies with full downside protection. No minimum floor on protection is required beyond that. The adoption of new PIS standards will facilitate filings of ILVAs through the Compact. They are already well established in the ILVA market since 2018, as well as in other markets.

IS THIS CHANGE CURRENTLY ACCEPTED IN COMPACT STATES? Unknown

WOULD THIS CHANGE CONFLICT WITH ANY NAIC MODEL LAWS OR REGULATIONS? Unknown