



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 contingent deferred annuities.

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: Contingent deferred annuities (CDAs) provide customers flexibility to keep their assets in managed accounts with their trusted financial professionals or retirement plans and provide longevity protection at the same time. Those individuals with assets in these vehicles are currently unprotected from longevity risk and subject to additional risks (inflation, sequence of returns) as they enter the decumulation phase of retirement. This product wraps certain investments in

these vehicles and pays out a lifetime income stream once the account value is depleted. The market would benefit from the clarity and consistency the Interstate Compact would bring to the CDA market. This would provide a structure for states to adopt these standards using the latest Model 805 requirements (which include CDA requirements) without requiring individual states to take additional regulatory or legislative action and to implement the 2015 guidance from the CDA Working Group.

IS THIS CHANGE CURRENTLY ACCEPTED IN COMPACT STATES? Unknown

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