

DATE: August 5, 2008

TO: IIPRC Management Committee

FROM: IIPRC Industry Advisory Committee

SUBJECT:

- **Additional Standards for Waiver of Surrender Charge Benefit**
- **Standards for Forms Used to Exclude Policy Coverage Based on the Underwriting Process**
- **Standards for Forms Used to Provide Tax Qualified Plan Provisions for Individual Annuity Contracts**
- **Standards for Forms Used to Provide Tax Qualified Plan Provisions for Individual Life Policies**
- **Amendment Regarding Underwriting Exclusions**

Re: Additional Standards for Waiver of Surrender Charge Benefit

Currently these standards are worded to apply only to variable annuities, but they were intended to apply to both variable and non-variable deferred annuities. We have reviewed the standard and only one change is needed to create a comparable standard for non-variable deferred annuities. We suggest you change “individual deferred variable annuity” in the second line of the Scope to read “individual deferred non-variable annuity.”

In *BENEFIT PROVISIONS B.2.(b)*., we also suggest that you take out the word “be” after the word “owner”.

Re: Standards for Forms Used to Exclude Policy Coverage Based on the Underwriting Process

In § 2 *REQUIREMENTS FOR EXCLUSION PROVISIONS, A.(3)(b)*, change “avocation” to “vocation” for consistency with changes made by the PSC to the applications.

Re: Standards for Forms Used to Provide Tax Qualified Plan Provisions for Individual Annuity Contracts

In § 1 **ADDITIONAL SUBMISSION REQUIREMENTS, A.(1)**, the following changes are suggested to bring this section into conformity with the standards for Life Insurance Policies:

In (1), change intro to say “If the *provision is added to the contract* by rider, endorsement or amendment, the following shall be included:” .

Include the following items (a), (b) and (c) from the standards for Life Insurance Policies:

- (a) Include all forms filed for approval with the filing. Highlight changes to a previously approved form.
- (b) If the filing is being submitted on behalf of a company, include a letter or other document authorizing the firm to file on behalf of the company.
- (c) If the form contains variable items, include the Statement of Variability. The submission shall also include a certification that any change or modification to a variable item shall be administered in accordance with the requirements in the Variability of Information section, including any requirements for prior approval of a change or modification.

Current items (a), (b), (c), (d) and (e) become (d), (e), (f), (g) and (h).

Add space after new item (d).

In new item (e), change to say “a statement *as to* whether” for consistency with new item (f).

In § 2 **BENEFIT PROVISIONS, A.(1)**, to bring this section into conformity with the standards for Life Insurance Policies, change the intro to say “If the *provision is added to the contract* by rider, endorsement or amendment, the following shall apply:”.

Add a space after item (c).

Re: Standards for Forms Used to Provide Tax Qualified Plan Provisions for Individual Life Policies

In § *1 ADDITIONAL SUBMISSION REQUIREMENTS, A.(1)*, the following changes are suggested to bring this section into conformity with the standards for Annuity Contracts:

In (d), change to say “A listing by..... .”

In (e), change to say “A listing by..... .”

Add an item (g) to say:

- (g) Any policy pages or provisions referenced in the form.

Re: Amendment Regarding Underwriting Exclusions

This amendment will be superseded shortly, so the question is what to do with this amendment. We suggest that the Management Committee defer action on this amendment until such time that the PSC presents the latest amendment which will have its own 60 days comment period.

Submitted by:

IIPRC Industry Advisory Committee:

Steve Buhr, AEGON
Tom English, New York Life
Michael Gerber, NAIFA
Dennis Herchel, Mass Mutual Life Insurance Company
Nancy Johnson, UNUM
Michael Lovendusky, ACLI
Randi Reichel, AHIP
Gary Sanders, AHIA