High Points of ILVA Draft Actuarial Guideline

**Background**

**The purpose of this guideline is to specify the conditions under which an Index-Linked Variable Annuity (ILVA) is consistent with the definition of a variable annuity and exempt from Model 805 and specify nonforfeiture requirements consistent with variable annuities.**

**Scope**

This guideline applies to any index-linked annuity exempt from the NAIC Model 805 on the basis that it is a variable annuity and includes index-linked crediting features that are built into policies or contracts (with or without unitized subaccounts) or added to such by rider, endorsement, or amendment.

**Principles**

This guideline is based on the following principles:

1. Interim Values defined in the contract provide equity between the contract holder and the insurance company
2. Interim Values are consistent with the market value of the Hypothetical Portfolio over the Index Strategy Term.