

List of Potential Modifications to Model 245

#	Topic	Item	Party	Modification	Description
1	Illustration Length	A	AAA, ACLI, CAI, IRI, Scott Stolz	Shorter Illustration Ledger	Do not require illustrations to maturity, such as only through the surrender charge period, 10 years, or longer if product features are focused on a longer time horizon
		B	ACLI, CAI, IRI	Fewer Redundancies	Eliminate redundancies between narrative summary and Section 5 of Model 245
		C	CAI	Combine Illustration Ledger	Side by side comparison of tabular illustrations, such as guaranteed rates, most-recent, etc., to reduce length
2	Illustrated Rate	A	AAA	Composite Indices	Clarify how to measure history or how to treat newer indices that are formulaic blends of older indices, e.g., new index that is 50% S&P / 50% Dow vs index that balances between indices (volatility controlled)
		B	ACLI, CAI, IRI	High/Low Scenarios	Base high/low scenarios on sampling from longer than a 20 year period if an index has existed longer, to increase the variability of both low and high scenarios for consumer understanding
		C	ACLI, CAI, IRI	Additional Data for Non-Illustrated Index Accounts	Consider adding data or other approaches in cases where the index can't be illustrated due to existing fewer than 10 years
		D	CANNEX	Reduced Rate Scenario	Mandate a supplemental reduce rate scenario, in which non-guaranteed elements are reduced by a percentage specified by the commissioner
		E	LICAC	Crediting Rate	Single prescribed crediting rate for all carriers and also for RILAs, e.g., 5%
		F	LICAC, Scott Stolz	Table of Non-Guaranteed History and Crediting Rates	When there is history, require a table of caps in each past calendar year, spreads/fees in each past calendar year, interest credited, and cash values (LICAC proposed five years of history)
		G	Scott Stolz	Indices less than 10yrs - 1	Illustrated return equal to ten year US treasuries plus 1.5%-2.0%
		H	Scott Stolz	Indices less than 10yrs - 2	Show a table that shows the hypothetical average, best, and worse performances over a selected timeframe, in addition to % of positive, negative, and zero returns
3	Disclosures	A	AAA	Not Projections	Adding disclosures to further emphasize that illustrations are not intended to be projections
		B	ACLI, CAI, IRI, CANNEX	Anticipated Changes to Non-Guaranteed Elements	Adding disclosures and emphasizing requirements of reflecting anticipated changes to non-guaranteed elements
		C	CANNEX	Standardizing Language	Adding standardized Model language to promote consistency for consumers and provide insurers with regulatory clarity
		D	LICAC	Non-Guaranteed vs Guaranteed	Statement to distinguish guaranteed vs. non-guaranteed features
		E	LICAC	Financial Strength	Disclose financial strength of company as a differentiating factor between carriers
4	Accountability	A	AAA	Illustration Actuary	Create an officer or an illustration actuary role that is held accountable / responsible for the illustration (e.g., annual certifications)