



Comments for the Center for Economic Justice

To the NAIC Life Actuarial Task Force

Proposed Revisions to AG 49

September 15, 2020

The Center for Economic Justice (CEJ) offers the following comments on the June 25, 2020 exposure draft of revisions to the effective date of AG49.

The NAIC has unfortunately decided to apply AG49-A only to illustrations for policies sold on or after the effective date of AG49-A. This means that current AG49 continues to apply to new illustrations on policies sold prior to the effective date of AG49-A. The proposed revisions to AG49 are an addition to the Effective Date section stating:

- iv. This actuarial guideline shall not apply for any new business or in force life insurance illustrations on policies sold on or after [greater of 5 months after LATF adoption and 3 months after EX/Plenary Adoption of AG 49-A].

This proposed revision would therefore forbid an insurer who wants to provide more realistic and less deceptive new illustrations on in-force policies issued before the effective date of AG49-A from providing those new illustrations consistent with the consumer protections of AG49-A. Further, some insurers may wish to utilize the AG49-A methodologies on all new illustrations to avoid having to maintain separate illustration platforms for policies issued before and after the effective date of AG49-A.

We request that the following additional revision be added to AG49:

- v. Notwithstanding part iv of this section, an insurer may choose to utilize AG-49A guidance for new illustrations on policies issued prior to the effective date of AG49A provided that, one, the insurer utilizes AG-49A guidance for all product illustrations subject to AG49, and, two, the insurer does not revert back to the AG-49 guidance.