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Ms. Rachel Hemphill
Acting Chair, NAIC Life Actuarial Task Force (LATF)

Mr. Fred Andersen
Chair, Index Universal Life (IUL) Illustration (A) Subgroup (Subgroup)

Re: Exposed IUL Questions

Dear Ms. Hemphill and Mr. Andersen:

The American Council of Life Insurers (ACLI) appreciates the opportunity to submit the following comments on the re-exposure of the IUL questions posed by the Subgroup.

ACLI recognizes that concerns have been raised by regulators and wishes to work with the Subgroup to develop solutions that appropriately address the underlying concerns.

Several regulators have expressed interest in pursuing a “quick fix” to AG 49-A to address concerns around the illustration of volatility-controlled indices. We would support an effort to discuss and address the specific regulatory concerns while maintaining the illustration of key features of the policies. Any such effort should impose changes on a prospective basis only because ACLI does not generally support retroactive application of new regulatory limitations.

With regard to the proposal “to address any broader issues with life illustrations,” ACLI believes that there should be a thorough analysis and evaluation process that is used to identify the underlying issues and drive the solutions, which may or may not include opening Model #582.

ACLI is appreciative of your consideration of our comments and looks forward to a future discussion.



cc: Scott O’Neal, NAIC