September 3, 2022

To the Life Actuarial (A) Task Force

Re: IUL Illustration Subgroup Comments

Thank you for the opportunity to comment on the four potential options for handling the identified issue with Indexed Universal Life illustrations plus consideration of limited, targeted revisions to the Life Insurance Illustrations Model Regulation (#582).

The *Coalition of Concerned Insurance Professionals* is a group of independent insurance practitioners and professionals who have joined together because of our shared concern about the potential for misleading policy illustrations, especially regarding Indexed UL illustrations.

We believe that the current state of Indexed UL illustrations warrants a quick and comprehensive response, at a minimum, involving a combination of options A, C & D. As our letter pointed out in February 2022, Indexed UL illustrations using non-BIA strategies with fixed interest bonuses can generate illustrated income that is more than 60% higher than BIA strategies. This is, in our view, entirely inconsistent with the intent of regulators in crafting AG 49-A and has resulted in a continuation of gamesmanship and illustration warfare that circumvents regulatory intent. Our long-standing position remains unchanged: The hypothetical lookback methodology is at the root of the problem and must be addressed.

Furthermore, we believe that there is a need for changes to #582 after implementing an immediate corrective action to AG 49-A abuses. While we do not feel the need to be prescriptive at this stage in the process, we are in favor of modifications to #582 so that it can help level the playing field and bring Index UL – as well as other previously unaddressed issues such as no-lapse features and variable UL - into a consistent illustration framework that uniformly applies to all life insurance products.

Thank you again for the opportunity to comment and we look forward to working with the Subgroup to implement a durable solution for Indexed UL illustrations.

Coalition of Concerned Insurance Professionals

Signed (alphabetically):

Ben Baldwin, Jr.
Bill Boersma, President, OC Consulting Group
Barry Flagg, President, Veralytic
Chris Hause, FSA, President, Hause Actuarial Solutions
Tom Love, Director of Insurance Analytics, LifeTrust3D™
Steven Roth, President, Wealth Management International, Inc, Licensed Life & Disability Insurance Analyst

Larry J. Rybka, Chairman & CEO, Valmark Financial Group

Bobby Samuelson, Executive Editor, The Life Product Review

Jerry Vanderzanden, Principal, WSLV, LLC; Insurance Fiduciary®
Richard M. Weber, President, The Ethical Edge, Inc; Insurance Fiduciary®
Scott Witt, FSA, President, Witt Actuarial Services