

Dear Mr. Andersen,

We very much appreciate the opportunity to submit the following comments in response to the Indexed Universal Life (IUL) (A) Subgroup Exposure dated July 18th, 2022.

* In February Equitable had provided comments in response to the December 9th, 2021 IUL Exposure, which consisted of (1) a reminder of Equitable’s 2020 proposal and (2) an indication of how the 2020 proposal would relate to illustrations of uncapped volatility-controlled policies. We stated our belief that reconsideration of Equitable’s 2020 proposal would be appropriate if regulators decided that substantive changes to AG 49-A were needed.

We similarly believe that reconsideration of Equitable’s 2020 proposal would be appropriate if regulators decide to pursue option (c) of the latest Exposure, for the same reasons that were stated in our attached February submission. (In viewing the attached Word document, please note that there are two PDFs embedded into the third page containing a more detailed explanation of Equitable’s 2020 proposal.)

* We also believe that option (a) of the latest Exposure should be bifurcated into two separate options,
  + an attempted quick fix to AG 49-A to address the current concern relating to illustrations of uncapped volatility-controlled policies, versus
  + a discussion with A Committee as to whether there are plans to address any broader issues with life illustrations.
* Finally, we feel that we would need to gain a better understanding of option (d) in order to provide any evaluation of it (for example, what illustration metrics would be subjected to a hard cap, how would such a hard cap be applied, and how would this affect the accuracy of depictions of how IUL policies work?).

Thanks again for the opportunity to share our thoughts with you and the other members of the IUL Illustration (A) Subgroup on these issues.

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July 26, 2022

