



AMERICAN ACADEMY *of* ACTUARIES

Objective. Independent. Effective.™

September 6, 2022

Ms. Rachel Hemphill
Acting Chair, Life Actuarial (A) Task Force (LATF)
National Association of Insurance Commissioners

Mr. Fred Andersen
Chair, Indexed Universal Life (IUL) Illustration (A) Subgroup (“IUL Subgroup”)
National Association of Insurance Commissioners

Re: The Life Actuarial Task Force IUL Exposure (August 15, 2022)

Dear Ms. Hemphill and Mr. Andersen,

The American Academy of Actuaries¹ Life Illustrations Work Group (the “Work Group”) is pleased to provide comments to the Life Actuarial (A) Task Force on the IUL Exposure from August 15, 2022.

The Work Group notes that the [letter dated July 26, 2022](#), to the IUL Subgroup addresses the options that the IUL Subgroup had previously exposed for comments and which are still applicable to this exposure. The Work Group is focusing this letter on the additional request to comment on the “limited, targeted revisions to the *Life Insurance Illustrations Model Regulation* (#582) that may help to reduce or eliminate the need for addressing future IUL illustration issues through an actuarial guideline.”

The Work Group believes it needs to have a better understanding of what limited, targeted revisions to Model #582 the IUL Subgroup is envisioning when asking for comments. Without understanding what the IUL Subgroup means by this, or how it plans to approach these revisions, the Work Group does not feel it can specifically address the request. However, we can offer the following conceptual general comments on revising Model #582:

- The Work Group believes any change to Model #582 should be principle-based and apply to all products within the scope of the Model. The Work Group is concerned that any changes that are targeted with only IUL in mind could result in unintended consequences for non-IUL products.

¹ The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

- The Work Group does not believe it is appropriate to explicitly address a product type within the Model #582.
- The Work Group also notes the extended time frame that will likely be required for any revision and state-by-state adoption of Model #582 compared to revising an actuarial guideline.

The Work Group appreciates the efforts of the Life Actuarial (A) Task Force and the IUL Subgroup to review Actuarial Guideline 49-A. If you have any questions or would like to discuss the above topics, please contact Amanda Barry-Moilanen, life policy analyst, at barrymoilanen@actuary.org.

Sincerely,

Alicia Carter, MAAA, FSA
Chairperson, Life Illustrations Work Group
American Academy of Actuaries