



To: NAIC Annuity Buyer's Guide (A) Working Group

April 16, 2026

Via email to jcook@naic.org

RE: NAIC Annuity Buyer's Guide (A) Working Group Draft Edits to the Deferred Annuities Buyer's Guide

On behalf of the Insured Retirement Institute (IRI), the American Council of Life Insurers (ACLI), and the Committee of Annuity Insurers (CAI), we appreciate the opportunity to provide edits and comments on the Annuity Buyer's Guide (A) Working Group's ("Working Group") exposed draft Buyer's Guide for Deferred Annuities ("the Buyer's Guide"). Please note that we put together this information to be responsive to the requested deadline of April 16; however, we are continuing to receive and analyze member feedback, and we will continue to provide any ongoing feedback as we work through this process.

We thank the Working Group for its attention to such an important document. It is intended to inform consumers about retirement savings products that provide financial security to millions of Americans and offer them unique opportunities to receive guaranteed lifetime income. Annuities have been offered by life insurance companies for over a century and continue to evolve to meet the retirement savings needs of Americans. The guarantees that annuities provide continue to grow in importance as workplace pension plans the U.S. become increasingly rare.

Before addressing our specific comments on the draft exposure, we encourage the Working Group to provide a forum for stakeholders to understand the review process and motivations behind the changes to the format of the Buyer's Guide and to the language in each section of the current Buyer's Guide. Given the Working Group's charge to first review and revise the current Buyer's Guide in light of changes in the marketplace, the industry coalition would like to offer insight and input into this important exercise. The tone, clarity, organization, and effectiveness of the draft Buyer's Guide should be evaluated carefully first with stakeholder input. We hope to obtain a greater understanding behind the reasons for changes to the language in various corresponding sections from the Working Group before this project resumes. A structured discussion intended to walk through the draft section-by-section, would help all stakeholders understand how the draft was developed and would better position the Working Group to resolve issues efficiently and collaboratively.

It is important that the Buyer's Guide continues to serve the role it has long played as an educational resource designed to help consumers understand annuities and identify questions to discuss with a financial professional. In that spirit, many of our recommended changes suggest language that is balanced and informative. The Buyer's Guide should neither promote nor discourage the use of annuities or any particular annuity type; rather it should describe key concepts and product features in order to assist consumers in evaluating whether an annuity may be appropriate for them. The Buyer's Guide was never meant to provide or supplant the individualized assistance that consumers receive from their financial professionals. Its paramount role should be to provide consumers with a basic understanding of the annuity options available in the marketplace as context for the individualized help that consumers receive from their financial professionals.

For our specific comments on the draft exposure, we have prepared a redline of suggested changes to address readability, tone, and a few technical points - all with a goal of improving consumers' understanding of annuities that are available in the marketplace and the key elements they should understand as they look to address their financial needs and objectives.

Below is a high-level summary of the changes we've made in our attached redline:

- **Introduction to Annuities.**
 - **Tone.** We propose changes to the tone to ensure that the Buyer's Guide neither promotes nor discourages annuities. Our suggested edits focus on helping consumers understand the variety and nature of the general product offerings that are available in the marketplace today.
 - **Annuitization.** We are concerned about the language indicating "few annuity owners choose to annuitize their contracts." This language **could** influence consumers towards not annuitizing regardless of suitability or other considerations that are relevant to the individual's financial needs. We strongly recommend removing this language and any other language that could influence decisions without attention to a consumer's particularized financial needs. Additionally, we discourage specific statistics referenced in the documents, (such as the range of commission percentages, rate of annuitization), as these are not static and could change over time. If the Working Group ultimately determines that specified numbers are important for a consumer's review, we encourage the inclusion of source citations for additional context and information.
- **Taxation.** We suggest alternative text to replace this section in the draft. The tax rules for nonqualified annuities are fairly straightforward. However, many annuities are used to fund IRAs which may be traditional IRAs with pre-tax contributions, post-tax contributions or Roth amounts. Thus, for the Introduction, there is likely no one sentence

that can adequately capture the variety of circumstances applicable to a particular consumer. What's most important is that consumers are encouraged to consult with a tax professional about their unique circumstances.

- **Edits Regarding Fees.** We've offered changes in the document regarding fees because not all annuities have specified fees. For those annuities that do have fees, an informed customer would need to know the benefits offered together with the fee. For example, unlike many general account-based products, a variable annuity may charge fees on amounts held in separate accounts to offset the cost of providing income guarantees. One could compare such a fee to amounts paid to purchase a single premium immediate annuity in which all of the consideration is a fee for lifetime income.
- **"Agent" to "Salesperson."** We changed this term throughout the document to use a term that characterizes the role of the annuity salesperson more accurately and comprehensively.
- **"What You and Your Agent Must Consider":** We have suggested various changes to this section for better alignment with the NAIC Annuity Suitability Model Regulation (Model #275), and to account for the fact that financial professionals may not all ask the questions the same way. We agree that the list of questions is reflective of the Model #275 requirements, but we are suggesting changes to the lead-in language to be more flexible in terms of how all the necessary information is gathered.
- **Descriptions of Types of Annuities:** We are suggesting various edits to clarify the summaries of the features and benefits of the four different types of annuities. We have also edited the "Ask about" subsections to add certain questions we believe would be helpful and made clarifying edits to some of the proposed questions. We note that there are relevant questions for consumers that overlap in the RILA and FIA sections. Currently, our changes do not include reiterating general questions from the FIA section that are applicable and could be helpful to consumers considering RILAs. We'd like to point out that either incorporating questions from the FIA section in the RILA section or reference to the FIA section questions in the RILA section may be helpful to consumers.
- **Optional Benefits.** We removed the long-term care section because the overall market for products with long-term care riders is relatively small. Other living benefits are much more common in the marketplace. We've added a short section noting the death benefit features of annuities.

We greatly appreciate the Working Group's efforts on this important task and encourage regulators to reach out to the industry coalition leaders below for questions or feedback regarding our edits. We look forward to continuing the work on this effort.