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September 6, 2022

Mr. Fred Andersen

Chair, NAIC Indexed Universal Life (IUL) Illustration (A) Subgroup (IUL Subgroup)

Dear Fred,

Securian Financial respectfully submits these comments in response to the NAIC IUL Illustrations (A) Subcommittee request for comments on AG49-A.

Securian Financial believes that a quick fixed for the currently identified issue is obtainable. There are several straightforward ways to change AG49-A to make it clearer/better enforce that the BIA guardrails apply to all illustrated indexes.

We understand that there is an ask to consider opening, all or part of Model #582. We believe we need to better understand what LATF is hoping to accomplish by opening the model regulation before we can fully comment. The model regulation applies to several types of products thus adding IUL specific langue to the regulation could have unintended consequences that need to be thoroughly thought-out and vetted. If LATF determines that they want to move forward with defining the scope for changes to model #582, Securian Financial is ready to participate with our industry peers in defining that scope.

We resubmit the language below to be added to AG49-A for consideration as a “quick fix”.

**Recommended Changes**

We would like to recommend changes to AG49-A 4C by adding condition (iii) to limit the maximum amount of leverage illustrated to that of the BIA:

C. For any other Index Account that is not the Benchmark Index Account in 3 (D), the Annual Rate of Indexed Credits illustrated as a percentage of the account value in the Index Account prior to the deduction of any charges used to fund a Supplemental Hedge Budget shall not exceed the minimum of (i), (ii) and (iii):

i. The Annual Rate of Indexed Credits for the Benchmark Index Account calculated in 4 (B) plus the Supplemental Hedge Budget for the Index Account.

ii. The Annual Rate of Indexed Credits reflecting the fundamental characteristics of the Index Account and the appropriate relationship to the expected risk and return of the Benchmark Index Account. The illustration actuary shall use actuarial judgment to determine this value using lookback methodology consistent with 4 (A) and 4 (B) (i) where appropriate.

iii. The lesser of (a) and (b) multiplied by the Annual Rate of Index Credits for the Benchmark Index Account, calculated in 4B, divided by (b); plus, the supplemental hedge budget:

a) The Hedge Budget of the Indexed Account

b) Hedge Budget of the Benchmark Indexed Account.

Respectfully,

Seth Detert, Securian Financial

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