



July 26, 2022

Mr. Mike Boerner
Chair, NAIC Life Actuarial Task Force (LATF)

Mr. Fred Andersen
Chair, NAIC Indexed Universal Life (IUL) Illustration (A) Subgroup (IUL Subgroup)

via email to RMazyck@naic.org

Re.: IUL Exposure

Dear Messrs. Boerner and Andersen:

The Transamerica Companies (“Transamerica”) appreciate the opportunity to provide comments on the exposed options for the work of the IUL Subgroup and potentially other NAIC committees. Transamerica is a leading provider of IUL and had the top-selling individual IUL product across all channels in 2021, according to Wink, Inc.¹

From our standpoint, AG49-A has successfully remediated concerns with illustrations of multipliers and certain other IUL product design features. More recently, we understand that questions have emerged around illustrations for products with uncapped volatility-controlled indices and fixed bonuses. Although we regard these features as having somewhat less impact on illustrations than multipliers, we can support an update to AG49-A to address these features. It should be noted that Transamerica does not currently sell a product with an uncapped volatility-controlled index and a fixed bonus.

Of the four options in the exposure, Transamerica supports option (a), the “quick fix” approach. For example, consideration could be given to requiring each index account to separately pass both the self-support and lapse support tests as prescribed under Model #582. We can also support A Committee consideration of a longer-term, multi-year effort to overhaul illustrations for all fixed life insurance products, presumably involving the re-opening of the model. We believe such an effort should address illustrations holistically across products rather than taking a piecemeal approach.

We appreciate the work of LATF and the IUL Subgroup in addressing concerns related to IUL illustrations.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew DeMarco".

Andrew DeMarco
Head of Life Solutions
Transamerica

¹ [Wink, Inc. Releases Fourth Quarter, 2021 Life Sales Results - Wink \(winkintel.com\)](https://www.winkintel.com/2022/03/wink_4q21/):
www.winkintel.com/2022/03/wink_4q21/