

July 26, 2022

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

Western & Southern Financial Group, Inc. (“Western & Southern”) appreciates the opportunity to comment on the Indexed Universal Life (IUL) (A) Subgroup (“IUL Subgroup”) exposure of options to address AG 49-A.

Western & Southern does not have concerns with IUL products incorporating volatility-controlled indexes, nor does it have concerns with IUL products including fixed interest rate bonuses. However, Western & Southern believes the current approach of pairing a volatility-controlled index with a fixed interest rate bonus and having that combination illustrate better than capped S&P 500 benchmark indexed account (BIA) policies falls outside the intent of AG49-A.

Thus, Western & Southern supports option A to “attempt a quick fix on the current concern (some companies illustrating uncapped volatility-controlled policies better than capped S&P 500 policies) with a brief revision to AG 49-A.” Western & Southern notes that the American Academy of Actuaries Life Illustrations Work Group presented two viable options to address the issue within its February 3, 2022 comment letter. Western & Southern supports additional consideration of those two options and the expeditious implementation of whichever one (or a newly identified alternative) that the IUL Subgroup deems to be most effective in addressing the current issue. If the IUL Subgroup decides to take additional time to analyze options C or D, Western & Southern encourages it also to move forward with option A concurrently to ensure a level playing field and the protection of consumers.

Western & Southern appreciates the IUL Subgroup’s continued review of AG49-A; thank you for the opportunity to comment.

Respectfully,



Ryan Richey, FSA, MAAA  
Vice President, Product Actuarial