July 17, 2026

TO: NAIC Life Insurance & Annuities Illustrations (A) Working Group
Electronically Submitted: jcook@naic.org
RE: LIAIWG COMMENTS DUE 7-17-26

Thank you for the opportunity to comment on the Life Insurance & Annuities Illustrations (A) Working Group's exposure pertaining to feedback on the proposed changes to Model Act 245 and whether an actuarial guideline should be used as a stopgap in the interim.

Finseca represents holistic financial security professionals, including advisors, agents, and firms who help families and businesses build retirement security, protect income, and manage financial risk. Our members are the individuals who sit directly with clients to explain annuity illustrations, discuss index choices, and help clients understand the tradeoffs between guaranteed and non-guaranteed elements at the point-of-sale.

We appreciate the Working Group's focus on fixed indexed annuity illustrations and agree that illustrations should provide reasonable expectations to consumers while not creating an impression of guaranteed returns.

Finseca does not believe that using an actuarial guideline under Model 275 is the appropriate path forward as we address these issues. Proceeding with such a guideline would blur the line between actuarial/valuation guidance and consumer-facing disclosure, creating uncertainty for producers about which standards govern the illustrations they use and see. Further, it would layer a "shadow" disclosure regime on top of existing best-interest and suitability rules, increasing complexity in the sales process without improving the clarity or realism of what consumers see at the point-of-sale.

We respectfully urge the Working Group to avoid relying on a Model 275 actuarial guideline as the mechanism for addressing illustration concerns, and instead to focus on strengthening and promoting a dedicated disclosure model that is designed around consumer understanding and producer usability.

Finseca is generally supportive of the IALC proposed changes to Model 245 and believes this direction offers a more effective and transparent way to address regulators' concerns. We would urge this working group to prioritize completion and adoption of an updated Model 245, grounded in the IALC proposal, as the primary mechanism for addressing indexed annuity illustration concerns.

Finseca appreciates the opportunity to comment and we look forward to continued dialogue as the Working Group refines these important consumer-facing standards.

Sincerely,
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Financial security for all

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