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July 5, 2022

Mr. Peter Weber
Chair, Index-Linked Variable Annuity (A) Subgroup
National Association of Insurance Commissioners (NAIC)

Re: Exposure 3.1 of the Proposed Actuarial Guideline ILVA, Nonforfeiture Requirements for Index Linked Variable Annuity Products Supported by Non-Unitized Accounts

Dear Mr. Weber,

On behalf of the American Academy of Actuaries¹ Index-Linked Variable Annuity Work Group (the “work group”), I appreciate the opportunity to provide comments on the proposed actuarial guideline.

Attached is a red line version, from the clean version (all NAIC changes accepted) of the 3.1 Exposure draft. Our comments in the redline version address the following concerns:

1. Provide additional clarification to differentiate ILVA from FIA;
2. MVAs may apply at the product level, therefore we suggest moving the allowance for an MVA from the Fixed Income Asset Proxy to the Interim Value calculation as shown in the redline; and
3. To improve clarity.

Sincerely,

Beth Keith, MAAA, FSA
Chairperson, Index-Linked Variable Annuities Work Group
American Academy of Actuaries

¹ The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.