THE Committee OF Annuity Insurers
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SUTHERLAND

June 27, 2014

Blaine Shepherd, Chair
Separate Account Risk (E) Working Group
c/o Julie Gann (jgain@naic.org)
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106

Re: SARWG May 7, 2014 "Exposure - Revised Recommendations"
Document: 7-1-14 Call Materials – AAA Comments

Dear Mr. Shepherd:

On behalf of the Committee of Annuity Insurers (the "Committee"), we appreciate this opportunity to submit these comments to the Separate Account Risk (E) Working Group (the "Working Group") regarding the June 5, 2014 comments of the American Academy of Actuaries (the "AAA Comments") on the May 7 "Exposure - Revised Recommendations" Document (the "Revised Recommendations" document). We hope that you find these comments helpful and constructive.

As you know, the Revised Recommendations document is the latest iteration of a document that the Working Group has exposed for comment over a lengthy time period, and as the result of that process already reflects comments and suggestions made by various interested parties. The AAA, like the Committee, has participated actively in this exposure and comment process. As explained in our letter of June 9, the Committee strongly supports and endorses the three revised recommendations for separate account products, and especially the principles, that the Working Group exposed in the May 7, 2014 Revised Recommendations document.

The Committee, through its own working group, that has reviewed and considered the AAA Comments. The Committee appreciates the sincerity of the AAA's June 5th comments and the work that went into them. There are a number of the AAA Comments with which the Committee does not have any issue, as several of the suggested changes appear to provide more felicitous and concise language or to delete language from the Revised Recommendations document that may not be necessary at this time. That said, the Committee submits that the AAA Comments generally could (and perhaps more appropriately should) be considered at one or more later points in the NAIC process.

Therefore, the Committee believes that the AAA Comments should not delay or postpone the Working Group's final endorsement of the Revised Recommendations, particularly the principles regarding separate account insulation. It is time for closure with respect to the Revised Recommendations. Accordingly, the Committee believes it is important that at the July 1 meeting, the Working Group should act on the Revised Recommendations and approve them for submission to the (E) Committee.

The Committee stands ready to assist the Working Group in any way it can. If you have any questions or requests, please feel free to contact Steve Roth at 202-383-0158 (steve.roth@sutherland.com) or Fred Bellamy at 202-383-0126 (fred.bellamy@sutherland.com).

Respectfully submitted,

THE COMMITTEE OF ANNUITY INSURERS

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