

June 9, 2014

Blaine Shepherd, Chair
Separate Account Risk (E) Working Group (SARWG)
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**

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 May 7, 2014 “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 follows several other documents that the Working Group has exposed for comment. The Committee has actively participated in this process as an interested party through participation in public conference calls of the Working Group (including a presentation to the Working Group) and by submitting several comment letters. In the course of this process the Committee has recommended strongly that certain stated principles should govern when insulated separate accounts may be utilized for non-variable insurance products, and the Committee has suggested certain specific clarifications to the draft language articulating those principles in prior exposure documents.

The Committee applauds and commends the Working Group for its efforts and hard work to date on this challenging project. Insofar as the Working Group’s Revised Recommendations document largely incorporates the Committee’s suggested principles for insulating separate account assets supporting non-variable products, and also reflects specific clarifications that the Committee suggested, the Committee is extremely grateful for the careful consideration that the Working Group gave to the Committee’s comments and suggestions.

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Accordingly, the Committee strongly supports and endorses the three revised recommendations for separate account products that the Working Group exposed in the May 7, 2014 Revised Recommendations document.¹

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), Fred Bellamy at 202-383-0126 (fred.bellamy@sutherland.com), or Mary Jane Wilson-Bilik at 202-383-0660 (mj.wilson-bilik@sutherland.com).

Respectfully submitted,

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FOR THE COMMITTEE OF ANNUITY
INSURERS

¹ The Working Group originally made five recommendations, and the two remaining proposed recommendations (one relating to “COLI/BOLI” products, and one relating to individual products) were last exposed in late 2013. We anticipate that there will be further opportunity for dialogue and comment on these two recommendations, and therefore this letter does not address those recommendations except to note that the Committee’s previous comments on them continue to reflect the Committee’s views.