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THE Committee OF Annuity Insurers
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Via Email to jcook@naic.org

November 10, 2026

National Association of Insurance Commissioners Life Insurance and Annuities Illustrations (A) Working Group

Re: Working Group Exposure Dated Sept. 15, 2026

On behalf of the Committee of Annuity Insurers ("CAI" or "Committee"),[1] we are pleased to submit this comment letter responding to the Life Insurance and Annuities Illustrations (A) Working Group's ("Working Group") exposure requesting proposals related to the NAIC Annuity Disclosure Model Regulation ("Model #245") that incorporate the conceptual decisions made by the Working Group to date ("Working Group Exposure"). More particularly the Working Group requested proposals that were formatted as follows:

- One-page memo that succinctly describes the proposed changes to Model #245; and
- A mock-up of the resulting illustration, including any visual examples or concepts associated with the proposal

As indicated in the Working Group Exposure, the "conceptual decisions" made by the working group to date include:

1. **Reduced illustration length.** Reduce illustration length through standardized requirements across carriers and products that reduce the illustration ledger length, combine illustration ledgers into single tables, and provide fewer redundancies between sections of Model #245.
2. **Insurance company attestation of compliance with Model #245.** Include a signed attestation by a company officer to provide individual accountability for appropriate compliance with Model #245 requirements
3. **Use of hypothetical returns for a period pre-dating the inception of an index.** Do not permit hypothetical returns for historical years during which an index did not exist, even if any input components to the index existed during those years
4. **How to illustrate and/or adjust non-guaranteed elements and historical index data.** Either do not rely on illustrating non-guaranteed elements and/or historical index data (preferred by Working Group) or, if illustrating with historical index data, include adjustments or haircuts to the current level of non-guaranteed elements
5. **Use of supplemental information through the use of assumed returns, tables or visuals of alternate scenarios.** Provide supplemental information through the following: A one-period index term calculation of interest credited if the index goes up or down by a specified percentage (e.g., +/-20%); or
   - Tables and/or visuals of alternate scenarios; and/or
   - If the proposal continues to include up/down scenarios in the illustration ledger, use the guaranteed scale as the "down" scenario

[1] The Committee of Annuity Insurers is a coalition of life insurance companies that issue annuities. It was formed in 1981 to address legislative and regulatory issues relevant to the annuity industry and to participate in the development of public policy with respect to state regulatory, securities and tax issues affecting annuities. The CAI's current 33 member companies represent approximately 80% of the annuity business in the United States. More information is available at https://www.annuity-insurers.org/.

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Committee Comments on Working Group Exposure

The Committee fully supports the American Council of Life Insurers comment letter and illustration mock-up in response to the Working Group Exposure (together, "ACLI Comment Letter"). The Committee believes the approach taken in the ACLI Comment Letter addresses and is consistent with the conceptual decisions identified in the Working Group Exposure, including a reduction in the length of FIA illustrations. In particular, the Committee calls out its support for the approach taken in the ACLI mock-up for illustrating non-guaranteed elements ("NGEs") as well as the use of actual index history in annuity contract crediting illustrations. The Committee believes that allowing for the use of actual index history provides the consumer with more useful and meaningful information than simply showing, for example, random assumed flat rates of return that would obscure the fact that index credits can and often do vary meaningfully from year to year and can vary across index crediting strategies. Moreover, the Committee also expressly supports the ACLI mock-up with respect to its treatment of newly developed indexes. With appropriate guardrails on the manner in which the illustration shows information beyond the historical period, this information would be valuable to consumers' evaluation of their allocation choices among indexes.

The Committee believes that the overall design of the mock-up ledgers (including separate pages for illustrating values in different scenarios with the guaranteed scale as the down scenario (slide 2), guaranteed contact values (slide 3), non-guaranteed contract values (slide 4), and non-guaranteed values by crediting strategy (slide 5)) lands on a format that includes a reasonable volume of information for a consumer to review. Further, the Committee believes that the ACLI mock-up illustrations using seasoned, actual historical index performance, along with current, and reduced level, NGEs provide useful information to the consumer while also protecting against being viewed by consumers as overly optimistic predictions.

The Committee recognizes and acknowledges that the Working Group has heard a wide variety of views related to the appropriate direction for the Model #245 revisions, both from interested parties and from members of the Working Group itself. As a result, the Committee anticipates that significant review and consideration may still be needed to finalize an FIA illustration mock-up and it stands ready to assist in that process.

In addition, the Committee would like to reiterate an additional consideration for the Working Group. As has been identified throughout the process (and championed by a wide cross-section of interested parties, consumer representatives, and even Commissioner Ommen during his brief remarks during the September 1, 2026 Working Group Meeting), the Committee believes it is extremely important to continue to plan for consumer testing of whatever mock-ups or Model #245 revisions are ultimately settled on by the Working Group.

We appreciate the Working Group's continued, thoughtful review of annuity illustrations and possible related revisions to Model #245. Committee members support and look forward to the continued dialogue on approaches that enhance consumer understanding while preserving the accuracy and usefulness of annuity illustrations.

Sincerely,

THE COMMITTEE OF ANNUITY INSURERS



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