



## Memorandum of Response

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**To:** Mark Hamlin

**From:** Michael Farley

**Date:** April 4, 2014

**Re:** Revised Memorandum of Response to CSI Review – rule withdraw

3901-6-08 – Variable Life Insurance

3901-6-10 – Valuation of Life Insurance Policies

3901-6-14 – Annuity Disclosure

3901-6-15 – Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values

3901-8-11 – Unfair Health Claim Practices

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Rules 3901-6-08, 3901-6-10, 3901-6-14, 3901-6-15, and 3901-8-11 were withdrawn from the original rule package after being filed with JCARR and are being refiled separately with amendments to correct specific references. The changes do not affect the business impact as reviewed by the CSI Office.

### **3901-6-08 - Variable life insurance.**

In response to direction received from JCARR under LSC guidance, the Department will be withdrawing rule 3901-6-08 as a no-change rule. The proposed amendments to the rule will eliminate an inaccurate statement referring to a rescinded rule. The amendment removes the reference to 3901-1-12 within the Purpose statement of the rule. Also, per department formatting, technical changes will be proposed to the Authority and Severability clauses.

### **3901-6-10 - Valuation of life insurance policies.**

In response to direction received from JCARR under LSC guidance, the Department will be withdrawing rule 3901-6-10 as a no-change rule. The rule as originally submitted references paragraph (H) of rule 3901-3-11, which was removed in 2009. As amended the rule will correctly reference paragraph (F) of 3901-3-11, which incorporated the relevant portions of the prior rule. Also, per department formatting, technical changes will be added to the Authority and Severability clauses.

### **3901-6-14 – Annuity Disclosure**

After 3901-6-14 was filed as a no change rule, the National Association of Insurance Commissioners (NAIC) adopted an updated version of the Annuity Disclosure Buyer's Guide.

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Following the NAIC's adoption of updated Buyer's Guide, the Department has received numerous requests from interested parties to withdraw 3901-6-14 as a no change rule and amend it to include reference to the most updated version of the NAIC Buyer's Guide.

The Buyer's Guide serves as a national resource for consumers to provide information regarding annuities and to facilitate a more informed selection of annuities by the consumer. The updated version helps to ensure consumers and their advisors are more informed about the products available. Therefore, the department would like to withdraw 3901-6-14 as a no change rule and is proposing to amend the rule to include references to the newly updated Buyer's Guide.

Also, per department formatting, technical changes will be proposed to the Severability clause.

**3901-6-15 - Preneed life insurance minimum standards for determining reserve liabilities and nonforfeiture values.**

In response to direction received from JCARR under LSC guidance, the Department will be withdrawing rule 3901-6-15 as a no-change rule. The proposed amendments to the rule will fix an error in the references, changing "7.21 and 0.71" to ".721 and .071." Also, per department formatting, technical changes will be proposed to the Authority, Purpose and Severability clauses.

**3901-8-11 – Unfair Health Claims practices**

In response to direction received from JCARR under LSC guidance, the Department will be withdrawing rule 3901-8-11 as a no change rule. It will be filed as an amended rule to change an outdated reference in paragraph (C)(1) from 3901-1-59 which has been rescinded and renumbered as new rule 3901-8-03. Also, per department formatting, technical changes will be proposed to the Authority, Purpose and Severability clauses.