



**To NAIC Amity Suitability Working Group
From Federal and state agencies selling freedom of life insurance and long term care insurance that would seek equitable regulatory treatment of guaranteed products in the financial services marketplace**

In providing these comments, FACC emphasizes the importance of preserving the original intent of the NAIC Model Suitability in Annuity/Long Term Care Regulation updated Spring 2020 which sought to balance strong consumer protections with regulatory consistency and efficiency. Expanding the NAIC Model Regulation requirements could inadvertently disrupt this balance, potentially hampering consumer choice, industry efficiency, and regulatory effectiveness.

FACC along with other industry trade organizations worked closely with the NAIC Amity Suitability Working Group, comprised of state insurance regulators across the country, to develop the updated NAIC Model Regulation. The NAIC Model Regulation provides strong consumer protection while at the same time preserves safe harbor provisions. While such actions affect insurers directly, they also directly or indirectly impact agents and agencies – our members – who then may become subject to ambiguous, overlapping or duplicative requirements that add cost and complexity to our business and can lead to confusion in the marketplace for our members' clientele.

In this regard, the Due Diligence Guidance suggests insurers must confirm that comparable standards used by distribution firms are equivalent to standards in the Model Regulation for business not covered by the safe harbor. But there is nothing in the Model Regulation that calls for such duplicative review. Rather, the Model Regulation itself establishes that comparable standards are equivalent to and meet or surpass the Model Regulation standards and requirements. That is the very purpose of the safe harbor.

