



U.S. Securities and Exchange Commission  
**Division of Investment  
Management**

September 26, 2023

**VIA ELECTRONIC MAIL**

RESPONSE OF CHIEF ACCOUNTANT'S OFFICE  
DIVISION OF INVESTMENT MANAGEMENT

Stephen E. Roth  
Eversheds Sutherland (US) LLP  
Email: [steveroth@eversheds-sutherland.com](mailto:steveroth@eversheds-sutherland.com)

Re: Jackson National Life Insurance Company and Jackson National Life Insurance Company of New York

By letter dated September 26, 2023 (“Request Letter”), you request permission under Regulation S-X 3-13 (“Rule 3-13”) for Jackson National Life Insurance Company (“JNL”) and Jackson National Life Insurance Company of New York (“JNY”) (each a “Company” and together the “Companies”) to file audited financial statements prepared in accordance with statutory accounting principles<sup>1</sup> (“SAP”), in place of financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), in registration statements on Form S-1 that the Companies have filed and/or will file for certain annuity contracts described in the Request Letter (the “Contracts”) in satisfaction of the financial information required by Form S-1, including the requirements of Items 11(e), 11(g), and 16(b) of Form S-1, as described in the Request Letter.

Based on the facts and representations set forth in the Request Letter, as well as the conditions outlined in the Request Letter,<sup>2</sup> and without necessarily agreeing with all of your analysis, your request for permission under Rule 3-13 for JNL and JNY to file SAP financial statements, audited by an independent auditor, in lieu of GAAP financial statements in registration statements filed for the Contracts on Form S-1, as it relates to the accounting basis of those financial statements only and as described above, is granted.<sup>3</sup>

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<sup>1</sup> You note that these principles are those that are prescribed or permitted by the Companies’ domiciliary state regulators.

<sup>2</sup> Any different facts, representations or conditions might require the Division to reach a different conclusion.

<sup>3</sup> Our position has been developed in consultation with the staff of the Commission’s Office of the Chief Accountant.

If you have any questions regarding this letter, please call the Chief Accountant's Office of the Division of Investment Management at (202) 551-6918.

Sincerely,



Jenson Wayne  
Chief Accountant  
Division of Investment Management

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

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This permission is provided for the Contracts described in the Request Letter based on the facts disclosed therein, including that the Contracts seeking to rely on the permission are non-variable annuity contracts classified as market-value adjusted annuities, contingent deferred annuities, and/or indexed annuities. As to any Contract registered or materially amended in the future, this permission is subject to the Commission staff's assessment of the Contract's registration statement for consistency with the facts described in the Request Letter and the intended product types. In this regard, you have stated that the Companies will notify the staff, in a letter accompanying the filing of any new registration statement for a Contract or any post-effective amendment to an existing registration statement that reflects a material change to a Contract, of its intent to rely on the permission granted in this letter.

September 26, 2023

Mr. Jenson Wayne  
Chief Accountant  
Division of Investment Management  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: Jackson National Life Insurance Company and Jackson National Life Insurance Company of New York

Dear Mr. Wayne:

On behalf of Jackson National Life Insurance Company ("JNL") and Jackson National Life Insurance Company of New York ("JNY") (each a "Company" and together the "Companies"), we respectfully request that, pursuant to Rule 3-13 of Regulation S-X, the staff of the Division of Investment Management (the "Staff") permit the Companies to file audited financial statements prepared in accordance with statutory accounting principles ("SAP") prescribed or permitted by their domiciliary state regulators, in place of financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP") in registration statements on Form S-1 that the Companies have filed and/or will file for certain annuity contracts described in this letter (the "Contracts"), in satisfaction of the financial information required by Form S-1, including the requirements of Items 11(e), 11(g) and 16(b) of Form S-1.

Because the Contracts are/will be insurance products subject to state regulation, the Companies believe that SAP financial statements are of a comparable character to GAAP financial statements and would provide investors in the Contracts ("Contract owners") with sufficient information to assess the Companies' ability to meet their obligations under the Contracts, and that filing SAP financial statements in place of GAAP financial statements in registration statements on Form S-1 for the Contracts would be consistent with investor protection. Forms N-3, N-4 and N-6 already permit insurers that meet certain criteria to use SAP financial statements on those forms, which relief is intended to reduce the burden on insurance companies that would otherwise prepare GAAP financial statements solely to register variable insurance products. Because of the significant costs and administrative burdens associated with preparing GAAP financial statements, relief permitting use of SAP financial statements in registration statements in Forms N-3, N-4, and N-6 serves as precedent for allowing use of SAP financial statements in registration on Form S-1 for the Contracts.

### **The Companies**

JNL is a stock life insurance company domiciled in the State of Michigan that is subject to supervision by the Michigan Division of Insurance and Financial Services. JNY, a wholly-owned subsidiary of JNL, is a stock life insurance company domiciled in the State of New York that is subject to regulation by the Department of Financial Services of the State of New York. JNL, together with JNY, is licensed to sell group and individual annuity products, including immediate, index linked, registered index-linked, and deferred fixed and variable annuities, and individual life insurance, including variable universal life, in all 50 states and the District of Columbia.

The Companies currently prepare GAAP financial statements to file in registration statements on Forms N-4 and N-6 for their variable annuity and life products, as well as in registration statements on Form S-1 for index-linked annuity contracts issued by JNL. Neither Company has issued or has outstanding any publicly-traded equity securities (common stock or preferred stock), nor has either Company issued any publicly-traded debt securities. The Contracts are the only securities that either Company has registered or will register with the SEC that require the preparation of entity-level, GAAP financial statements. If the Companies receive the permission requested in this letter, they would be eligible to file SAP financial statements in registration statements for their variable contracts pursuant to the relief provided by Forms N-4 and N-6.

As insurance companies subject to state regulation, JNL and JNY each prepare SAP financial statements that are audited by an independent auditor and filed, respectively, with the Michigan Division of Insurance and Financial Services and the Department of Financial Services of the State of New York, and with the National Association of Insurance Commissioners ("NAIC"). The Companies manage their respective businesses on the basis of these SAP financial statements.

State regulators periodically examine the respective SAP financial statements filed by the Companies as part of a comprehensive regulatory program that focuses on each Company's solvency, with the goal of ensuring that each of the Companies can fulfill its contractual obligations to its contract owners. The ultimate objective of state solvency regulation is to ensure that an insurance company can pay contract owner liabilities when they become due and that the insurance company maintains capital and surplus at all times in such forms as required by state law to provide a margin of safety. With the objective of solvency regulation and contract owner protection, SAP focus on an insurance company's balance sheet and emphasize the insurance company's liquidity.

JNL and JNY are indirect subsidiaries of Jackson Financial Inc. ("JFI"), an insurance holding company whose securities are registered under the Securities Exchange Act of 1934, as amended (the "1934 Act") and that files periodic reports under the 1934 Act. There are two intermediate parent companies between JFI and JNL that are directly or indirectly wholly-owned by JFI. Neither of these indirect parent companies currently have securities registered with the SEC, nor do they file reports under the 1934 Act.

JFI prepares GAAP financial statements for inclusion in reports that it files under the 1934 Act. Neither of the two intermediate parent companies prepare GAAP financial statements. JFI does not require its subsidiaries, JNL and JNY, to provide GAAP financial statements or to prepare a GAAP reporting package or partial GAAP financial statements in connection with the preparation of JFI's consolidated GAAP financial statements. The GAAP financial information relating to each Company's operations that would otherwise be prepared in connection with the preparation of consolidated GAAP financial statements for JFI would not constitute a GAAP reporting package or partial GAAP financial statements.

JNL relies upon, and JNY will be eligible for and will rely upon, the exemption from filing periodic reports required by the 1934 Act provided by Rule 12h-7 thereunder, and will rely on this exemption and comply with the conditions of the rule as long as each Company relies on the permission provided in response to this letter. JNL and JNY each are corporations subject to supervision by its domiciliary state regulator, the Michigan Division of Insurance and Financial Services and the Department of Financial Services of the State of New York, respectively. The Contracts do not and will not constitute an equity interest in the issuing Company, and are and will be subject to regulation under the insurance laws of the issuing Company's domiciliary state. Each of the Companies files annual statements of its financial condition with, and is supervised and its financial condition examined periodically by, its domiciliary state regulator. The Contracts are not and will not be listed, traded or quoted on an exchange, alternative trading system, inter-dealer quotation system, electronic communications network, or any other similar system, network or publication for trading or quoting. JNL has taken, and each Company will take, steps reasonably designed to ensure that a trading market for its Contracts does not develop. Prospectuses for the Contracts do and will disclose that the issuing Company relies on the relief provided by Rule 12h-7.

## The Contracts

The Contracts that JNL has registered, or that JNL and JNY will register, with the SEC on Form S-1 and for which they request permission in this letter are (i) standalone index-linked annuity contracts and/or combination annuity contracts that offer variable investment options as well as registered index-linked investment options, and (ii) contingent deferred annuity contracts.

During the accumulation phase, Contract owners of index-linked annuity contracts are able to select among index-linked investment options ("Index Account Options"), each linked to the performance of a specified market index or benchmark. These Index Account Options may include a floor, which will establish the maximum negative market performance to which the Contract owner will be exposed, or a buffer, which will establish the maximum amount of negative market performance that the Company will absorb, and a cap, which will establish the maximum positive market performance that may be credited to the Contract at the end of the investment option period. Index Account Options with floors or buffers that expose Contract owners to greater risk will have a higher corresponding cap and a greater potential for higher credited interest. The Index Account Options may include other forms of protection or limits on the maximum positive performance credited to the Contract. Proceeds payable to a Contract owner who withdraws Contract value or surrenders the Contract before the end of the investment option period will be adjusted according to a prescribed formula.

Contingent deferred annuity contracts are designed to insure the Contract owner against outliving assets held in an associated fund or account by guaranteeing that Contract owners will receive minimum lifetime payments on assets held in the associated fund or account without regard to the investment performance of the assets held in the associated fund or account as long as the specified conditions of the guarantee are satisfied. Minimum lifetime payments will be determined by reference to the performance of the assets held in the associated fund or account during the accumulation period of the Contract. At the end of the accumulation period, payments will be guaranteed for the Contract owner's lifetime so long as the Contract owner does not take withdrawals from the associated fund or account in excess of the annual minimum lifetime payment. Any such excess withdrawal typically will result in a proportional reduction in the Contract owner's annual minimum lifetime payment. If the withdrawals combined with poor investment performance deplete assets held in the associated fund or account and the Contract owner has satisfied the conditions of the guarantee, the Company will continue to make guaranteed lifetime payments to the Contract owner out of its general account assets.

## The Companies' Request

Rule 3-13 of Regulation S-X provides that the SEC "may, upon the informal written request of the registrant, and where consistent with the protection of investors, permit the omission of one or more of the financial statements herein required or the filing in substitution therefor of appropriate statements of comparable character." For the reasons stated herein, the Companies believe that SAP financial statements audited by an independent auditor<sup>1</sup> included in the Form S-1 registration statements for the Contracts are appropriate statements of comparable character to GAAP financial statements and would be consistent with investor protection.

### **SAP financial statements will provide investors in the Contracts with sufficient information to assess the issuing Company's ability to meet its contractual obligations.**

Forms N-3, N-4 and N-6 used to register variable insurance products under the Securities Act of 1933, as amended, already permit use of SAP financial statements in place of GAAP financial statements if the insurance company issuing the contracts meets certain criteria, including that it would not have to prepare GAAP financial statements except for use in registration statements on such forms. When

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<sup>1</sup> The Companies' auditor will satisfy the independence standards of Article 2 of Regulation S-X and be registered with and subject to inspection by the Public Company Accounting Oversight Board.

proposing Forms N-3 and N-4 for variable annuity contracts with instructions permitting the use of SAP financial statements, the SEC recognized that guarantees associated with annuity payments and other benefits provided by the contracts, which are backed by the insurance company's general account, depend on the solvency of the insurance company, and that contract owners, participants and annuitants who invest in the contracts may not want or need disclosure about the financial performance of the insurance company, but instead may be interested only in the insurance company's solvency.<sup>2</sup>

Similar to investors in variable annuity contracts, investors in the Contracts will be most interested in information relevant to assessing the issuing Company's ability to fulfill its contractual obligations. SAP are designed specifically to provide this type of information to state regulators. SAP financial statements contain detailed information about each Company's assets and liabilities as well as its regulatory capital and surplus, which serve as financial cushions for paying Contract owner claims. Furthermore, SAP financial statements enable state regulators to determine each Company's ability to meet Contract owner obligations based on the availability of readily marketable assets when obligations are due. In contrast, GAAP financial statements assist investors in understanding a company's going concern value. Due to the absence of any secondary market in the Contracts, investors in the Contracts do not need information regarding the issuing Company's going concern value. Consequently, SAP financial statements would provide Contract owners with sufficient information to assess the solvency of the issuing Company and its ability to satisfy its contractual obligations. GAAP financial statements, on the other hand, would not provide additional informative value to Contract owners that would justify the significant costs and administrative burdens of preparing and auditing an additional set of financial statements solely to include in the Form S-1 registration statements for the Contracts.

### **Conclusion**

For the reasons stated above, SAP financial statements are appropriate financial statements of comparable character to GAAP financial statements and would provide Contract owners with sufficient information to assess each Company's ability to meet its obligations under the Contracts, and filing SAP financial statements in place of GAAP financial statements would be consistent with investor protection.

We respectfully request, on behalf of JNL and JNY, that the Staff grant permission pursuant to Rule 3-13 of Regulation S-X to permit the Companies to file SAP financial statements audited by an independent auditor in registration statements on Form S-1 for the Contracts. Should you provide this permission each Company agrees to notify the Staff in a letter accompanying the filing of any new registration statement for a Contract or any post-effective amendment to an existing registration statement that reflects a material change to a Contract of its intent to rely on the permission granted in response to this letter.

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<sup>2</sup> See Registration Form for Insurance Company Separate Accounts that Offer Variable Annuity Contracts (Proposing Release) Rel. Nos. 33-6502 and IC-13689 (December 22, 1983).

Thank you for your attention to this matter. Please contact me at 202-383-0158 or Lorna MacLeod at 202-383-0817 if you need additional information or have any questions concerning this request.

Sincerely,

A handwritten signature in black ink that reads "Stephen E. Roth". The signature is written in a cursive, flowing style.

Stephen E. Roth  
Eversheds Sutherland (US) LLP