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July 21, 2016

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20149-1090

Re: Concept Release on Business and Financial Disclosure Required by Regulation S-K
File Number S7-06-16

Dear Mr. Fields:

On behalf of our members, the Insured Retirement Institute (“IRI”)¹ appreciates the opportunity to provide comments to the Securities and Exchange Commission’s (the “SEC” or “Commission”) regarding the SEC’s Concept Release on Business and Financial Disclosure Required by Regulation S-K (the “Concept Release”). The Concept Release is the latest step in the Commission’s “Disclosure Effectiveness Initiative.” IRI fully appreciates the importance of effective and meaningful disclosure with respect to financial product offerings. With this in mind, we enthusiastically support this important initiative, and we applaud and commend the SEC for the disclosure improvements it has already implemented.

In this letter, we offer suggestions regarding the disclosure obligations applicable to products manufactured by life insurance companies, including general account insurance products.² We will also

¹ The Insured Retirement Institute (IRI) is the leading association for the retirement income industry. IRI proudly leads a national consumer coalition of more than 40 organizations, and is the only association that represents the entire supply chain of insured retirement strategies. IRI members are the major insurers, asset managers, broker-dealers/distributors, and 150,000 financial professionals. As a not-for-profit organization, IRI provides an objective forum for communication and education, and advocates for the sustainable retirement solutions Americans need to help achieve a secure and dignified retirement. Learn more at www.irionline.org.

² At the outset, we would like to express our full endorsement of the comments expressed by the Committee of Annuity Insurers (the “Committee”), in its letter to you, dated July 21, 2016 (the “Committee Letter”). In order to avoid the Commission’s review of duplicative comments and explanations, we reference as applicable the Committee Letter herein, in support of our comments. We have also adopted the Committee Letter’s use of the term “general account insurance products,” as defined at page 2 and in Appendix B in the Committee Letter.

briefly reiterate our request that the SEC prioritize the variable annuity summary prospectus and annual update rulemaking initiative (the “VA Summary Prospectus Initiative”).

The Concept Release seeks comments on a wide range of issues regarding Parts 1 (Business) and 3 (Financial) of Regulation S-K, as well as Risk Factors (Item 503(c)) and other specific item requirements. While the Concept Release focuses primarily on disclosure in periodic reports required by the Securities Exchange Act of 1934 (“1934 Act” or “Exchange Act”), Regulation S-K also forms the foundation for disclosure required in Forms S-1 and S-3 (together, the “Forms”), which are used by life insurance companies to register general account insurance products (in addition to other financial instruments). Accordingly, many of our member companies that manufacture and/or distribute such insurance products rely on these Forms, and we would be remiss if we did not take this opportunity to register our concern with certain unnecessary disclosure requirements, and the ensuing resource burdens and costs, presented by Regulation S-K in the context of these insurance products.

In this regard, we respectfully request the Commission to consider the following:

- 1. As the Commission has done for other classes of registrants, we encourage the Commission to reduce the disclosure requirements applicable to life insurance companies that issue regulated insurance products that are registered with the SEC on the Forms.³**

Certain disclosure items required by Regulation S-K were designed for investors in equity or debt securities, not general account insurance products. Simply put, these disclosures not only significantly lengthen the prospectuses used to offer these products but they serve to obscure material product information, potentially confuse investors, and impose significant costs and administrative burdens on the insurance companies. Fortunately, many of the disclosure items that we believe are unnecessary for investors in general account insurance products include several of the Regulation S-K items on which the Commission has specifically requested comment. These items are as follows: Select Financial Data (Item 301), Supplementary Financial Information (Item 302), Management Discussion and Analysis (Item 303) and Quantitative and Qualitative Disclosure about Market Risk (Item 305).

Information elicited by these items is designed principally to enable investors to evaluate the issuer’s financial results and prospects for the future. We submit that such information is relevant to investments in financial instruments whose current and future value may depend on the issuer’s earnings and on the skill and strategic vision of the company’s management. In contrast, information about a life insurance company and its management would be material to an investor in a state regulated insurance product only to the extent it would provide material comfort to the investor that the insurance company can meet its contractual obligations. We respectfully suggest that the disclosure required by these items fails this materiality standard.

We also believe the following disclosure items in Regulation S-K (and required by the Forms), which are similarly burdensome and costly to prepare, do not enhance the investors’ understanding of the

³ For a more detailed discussion of these points, see the Committee Letter at pages 4-8.

insurance product or the risks associated with the insurance company's ability to fulfill its contractual obligations: Executive Compensation (Item 402), Officers and Directors (Item 401), Security Ownership by Certain Beneficial Owners and Management (Item 403), Transactions with Related Persons (Item 404) and Corporate Governance (Item 407).

2. Quarterly reporting should not be necessary for insurance companies that are subject to 1934 Act reporting obligations solely due to the registration of general account insurance products on the Forms.

The Concept Release also requests comment on whether quarterly reporting, as required under the Exchange Act, benefits investors, registrants and the markets and whether the reporting requirements should be different for different types of issuers. For certain life insurance companies, the obligation to file quarterly reports under the 1934 Act is triggered solely due to their registration of general account insurance products on the Forms. Quarterly reporting is intended to reflect seasonal patterns and other variations in corporate activities during the fiscal year by disclosing financial results over segments of time that are sufficiently short to reveal business turning points. The life insurance business usually is not subject to such short term changes that make such disclosure meaningful, and the burden and cost associated with preparing these quarterly financial statements operates to discourage many life insurance companies from entering the general account insurance product market and/or making timely product enhancements and changes. Such unnecessary impediments are wholly inconsistent with facilitating the availability of a robust panoply of retirement products in the marketplace, and we urge the Commission to excise such requirements for such life insurance company filers.⁴

3. Insurance companies that register general account insurance products on the Forms should be permitted to file financial statements that are prepared in accordance with statutory requirements and make such financial statements available upon request only.

We fully support the position that statutory financial statements, as opposed to ones prepared pursuant to generally accepted accounting principles ("GAAP"), should be permitted, where an insurance company is not otherwise required to prepare GAAP financials. In addition, such financial statements should be made available free of charge, as opposed to included in the prospectus itself. Both of these accommodations are afforded to other life insurance company products that are registered on other registration forms, and we do not see any reason why general account insurance products registered on the Forms should be subject to different requirements.⁵

⁴ Similarly, we fully endorse the Committee's position that it should not be necessary for such companies to include unaudited interim financial statements in the prospectuses for these products. Prospectuses for products registered on the Forms currently must include or incorporate by reference quarterly financial statements in all 1933 Act initial registration statements and post-effective amendments filings made at any time during the year except during a short window between March and May after the audited annual financial statements become available. See the Committee Letter at pages 8 -9.

⁵ See Committee Letter at pages 9-10.

4. We respectfully renew our request that the Commission issue a proposal to allow the use of a summary prospectus for variable annuities.

Understanding the Commission's active agenda, we believe many compelling reasons exist for the Commission to place a high priority on this rulemaking and issue a rule for comment at the earliest possible time. With more than a quarter million Americans reaching retirement age every month, the need for clear and concise disclosure about the critically important retirement income guarantees provided by VAs has never been greater.

In addition, both Congress and the Administration are proponents of increasing access to guaranteed lifetime annuity income and adopting a rule to bring the VA Summary Prospectus Initiative to fruition would do exactly that. According to an IRI study, six out of every 10 individuals said they would be more likely to talk to their financial advisor about and consider a variable annuity if they had access to a VA summary prospectus.

In that same study, 95% of investors said they want a VA summary prospectus. We, as an industry, would like to serve the needs of our investors by giving them better, clearer disclosure as soon as practicable. We believe this rulemaking would serve the Commission's Strategic Plan, which includes high quality disclosures as a top goal/objective among its Dodd-Frank priorities.

High investor demand for a variable annuity summary prospectus is understandable given full variable annuity prospectuses can range from 150 to 300 pages, and contain voluminous legal, actuarial, and regulatory language that is difficult for investors to comprehend. As a result, full prospectuses are not used by most investors, with less than 3% of investors saying they always read some part of the prospectus and questions by most consumer experts as to whether these investors may be confusing other product informational materials with the prospectus.⁶

The Variable Annuity Summary Prospectus Rule would address these issues by providing a layered approach to disclosure starting with a concise, plain-English summary prospectus document that provides investors with key information about a products' benefits, costs, and risks in an easy-to-read format that enhances the investors' decision-making process. An investor who wants more details at any point can either ask his or her financial advisor for additional information, the approach most investors will take, or access the full prospectus online or in hard copy upon request.

We also note that VA investors have had the positive experience of receiving mutual fund summaries with the full prospectuses for their VAs for some time now. We believe VA investors likewise would experience significant benefits from receiving a VA summary prospectus and having access to layered disclosure online.

⁶ Variable Annuity Summary Prospectus--High in Demand by Consumers: Examination of Consumer Preferences, Industry Perspectives (IRI, June 2011).

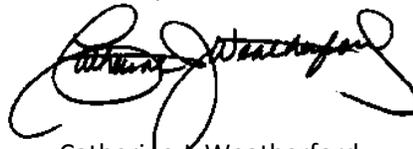
Given the state of readiness of the VA Summary Prospectus Initiative, we respectfully submit that there should be no further delay in proposing a rule. Accordingly, we request that a proposed rule be issued for comment and finalized during 2016 to enable investors and financial advisors to obtain the benefits of short, plain-English disclosures for variable annuities during 2017, the same benefits that have been available to mutual fund investors since 2009.

If a variable annuity summary prospectus rule is not finalized during 2016, as a practical matter, variable annuity summary prospectuses will not be available to investors and financial advisors until at least early to mid-2018, more than nine years after IRI submitted its variable annuity summary prospectus proposal to the SEC and more than eight years after then-Chairman Mary Schapiro voiced support for the development of the rule.⁷

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As always, we welcome and appreciate the opportunity to present our members' views on SEC initiatives and proposals. We hope you will seriously consider the issues we have raised in this letter and in the Committee Letter. Please feel free to contact Lee Covington, our Senior Vice President and General Counsel ([REDACTED]) or Jason Berkowitz, our Vice President and Counsel for Regulatory Affairs ([REDACTED]) if you have any questions or would like to discuss this matter further.

Sincerely,



Catherine J. Weatherford
President & CEO
Insured Retirement Institute (IRI)

⁷ Speech by SEC Chairman Mary Schapiro, "The Consumer in the Financial Services Revolution", Consumer Federation of America 21st Annual Financial Services Conference, Washington, D.C. (December 3, 2009).