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March 15, 2019

Mr. Brent J. Fields  
Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

**Re: Updated Disclosure Requirements and Summary Prospectus for  
Variable Annuity and Variable Life Insurance Contracts (RIN 3235-AK60U)**

Dear Mr. Fields,

The Association for Advanced Life Underwriting ("AALU") is the leading organization of life insurance professionals who are a trusted voice on policy issues impacting Americans' financial security and retirement savings. Our 4,400 members are primarily producers engaged in the sale of life insurance used as part of estate, charitable, retirement, and deferred compensation and employment benefit services.

As part of their service for clients, our members offer variable products, such as variable life insurance and variable annuity products. These products offer consumers investment choices for accumulating cash values—the variable element of the product—with separate guarantees from the issuer such as a guaranteed death benefit and lifetime income. These are important options for customers seeking to address their protection and retirement needs using life insurance and annuity products. These tools are recognized as even more important in recent years to address risks to families and businesses of premature death and of outliving savings.

We appreciate the efforts of the U.S. Securities and Exchange Commission ("Commission") to streamline the disclosure process to ensure consumers fully understand variable products, and we offer our strong general support for the proposal. Our members develop personal relationships with clients, as well as an extensive knowledge of their specific situation, carefully walking them through their options to ensure that their clients are getting the right products that best fit their needs. We believe this proposal will help customers understand their choices and get the best product for their families. We wanted to highlight the following issues below:

**Layered Disclosure Benefits Consumers**

We commend the Commission for this proposal that will benefit consumers by bringing the disclosure process into the 21st Century. The amount of paperwork given to consumers has been greatly reduced while continuing to provide timely and relevant information. In addition, the proposal aligns the disclosure process for variable life and annuity products with the disclosure process for mutual funds—making it easier for consumers to compare these products and choose the right fit for their families.

AALU supports clear and simple disclosure of roles, obligations, product offerings, and material conflicts so that consumers are protected, and their

choices are preserved. With respect to format and delivery, the primary goal of a disclosure statement should be to communicate material information as succinctly and plainly as possible, making additional layers of information available to the investor as needed or desired. The delivery of this information should be flexible. Retail customers should be able to access hard or electronic copies of disclosure statements, and both should provide opportunities to access additional information as it is needed—through hyperlinked documents, websites, or other means. For an example of a simple, user-friendly “first layer” disclosure template—that can be used to direct a customer to additional information if desired—see [Appendix B](#)<sup>1</sup> of our August 7, 2018 letter.

**Recommendation:** While we appreciate the significantly streamlined nature of the Initial Summary Prospectus, we urge the Commission to consider making the more detailed information in the prospectus available to consumers upon request on a website or other “second-layer” disclosure formats.

## Coordination between Federal, FINRA and State Regulation is Essential

As the Commission develops a final rule, it is essential to collaborate with federal, FINRA, and State regulators for all types of securities products to avoid marketplace disruption and harm to consumers. This includes consistency with the Commission’s forthcoming final rule on standard of conduct for brokers and advisors. As demonstrated by our recent experience in complying with the DOL Rule, a lack of sufficient coordination with other regulators can significantly curtail consumer choice. For a more detailed explanation of the negative impacts of the DOL rule, see our [comment letter](#)<sup>2</sup> to the Department of Labor, April 2017.

## Summary

We support the Commission’s goal of increasing consumer understanding by streamlining the disclosure process, and offer our general support for the proposal. Our members appreciate your thoughtful consideration of these comments. Please reach out with any questions you have.

Sincerely,



**Marc Cadin**  
Chief Executive Officer  
Association for Advanced Life Underwriting

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## Notes

1. See Letter from Marc Cadin to Securities and Exchange Commission, Regulation Best Interest (RIN 3235-AM35); Form CRS Relationship Summary, Amendments to Form ADV, Required Disclosures in Retail Communications and Restrictions on the use of Certain Names or Titles (RIN 3235-AL27), August 7, 2018, available at: <http://300bf684bc6ee2d6a365-61262ac158a6615dcd9dac46e3b15788.r60.cf5.rackcdn.com/AALU%20SEC%20Comment%20Letter%20-%20Standard%20of%20Care%20Proposal%20-%20Brokers%20and%20Advisors%20-%20208.7.18.pdf>
2. See Letter from David J. Stertzer to Department of Labor, Definition of the Term “Fiduciary”—Additional Comments Regarding the Economic Impact of the Rule and Associated Exemptions (RIN 1210-AB79), April 17, 2017, available at: <https://www.dol.gov/sites/default/files/ebsa/laws-and-regulations/rules-and-regulations/public-comments/1210-AB79/01422.pdf>