



AIG
21650 Oxnard Street,
Suite 750
Woodland Hills, CA 91367
www.aig.com

Todd Solash
President, Individual Retirement
Life & Retirement

T [REDACTED]

March 15, 2019
Submitted electronically
rule-comments@sec.gov

Mr. Brent Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street NE,
Washington, DC 20549-1090

Re: **File No. S7-23-18**
Updated Disclosure Requirements and Summary Prospectus for
Variable Annuity and Variable Life Insurance Contracts

Dear Commissioners:

American International Group (“AIG”) appreciates the opportunity to comment on the Securities and Exchange Commission’s (“SEC”) proposal to update and modernize disclosure requirements for variable annuity and variable life insurance contracts (the “Proposal”). We strongly support the SEC for thoughtfully developing the Proposal to reform the disclosure framework for variable contracts in order to make the disclosure more simple, clear, and accessible to retirement savers and other consumers.

AIG’s life and retirement business collectively serves millions of Americans, and we have been a leading provider of guaranteed income and protection products in the United States for decades. Our products help individuals plan and save for their retirement. We also work with a variety of organizations, such as school districts, hospitals and universities, to help their employees invest for their future. Because we provide support to our clients at every stage of retirement planning, we offer a relevant and practical perspective on the impact of the SEC’s Proposal.

AIG is a member and active participant in a number of industry trade associations and has participated in the preparation of several comment letters regarding the Proposal by those organizations. This letter focuses on some important policy considerations that we believe the SEC should consider in its efforts to streamline and strengthen disclosure with respect to variable insurance products.

- 1) We believe that a truly modern disclosure framework and delivery system should allow for an initial summary prospectus to be delivered electronically, at point of sale. In a world where consumers can learn about and purchase almost any product online with a touch of a button and where insurance can be purchased on mobile applications, we believe that allowing electronic delivery of initial summary prospectuses aligns with the SEC’s disclosure



modernization goals. The SEC has proposed sweeping changes to the disclosure framework, thoughtfully, bringing the industry current. The SEC should consider this additional step of allowing access to equal delivery. Electronic delivery of a summary prospectus at the point of sale will allow potential investors to receive more easily navigable and searchable disclosure at the most critical decision point, while also providing access to the statutory prospectus with one easy click.

- 2) AIG supports providing layered disclosure to our contract owners which can include links to relevant disclosure. The Proposal requires insurers to provide fund expense ratio and performance information within the initial summary prospectus, updating summary prospectus and the statutory prospectus. The unintended consequence is to place significant strain on the insurer's ability to timely produce prospectuses with updated portfolio information. We recommend that the Staff consider permitting use of hyperlinks to the portfolio company prospectuses themselves rather than requiring extraction of data by the insurer for inclusion in the summary prospectus. This is generally a more efficient approach and places the burden of timely and accurate information with the portfolio company which controls the information, rather than the insurer.
- 3) Products such as variable annuities with lifetime income guarantees can be an important part of a retirees' portfolio, providing investment growth coupled with security that comes with a steady stream of lifetime income. The security offered through the income guarantees allows contract owners to stay the course during market fluctuations. However, these guarantees can be complex, requiring more detailed disclosure to ensure clients have a full understanding of the benefits and features of the products. We urge the SEC to allow greater flexibility in providing important material terms and disclosures about the living benefits in the initial summary prospectus.

AIG shares the SEC's goal of providing simple, clear and effective disclosure and we thank you for the opportunity to comment on this very significant rulemaking. We look forward to participating in the reform and modernized solution that will effectively and efficiently serve investors.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Solash", written over a horizontal line.

Todd Solash
President, Individual Retirement
Life & Retirement