

August 9, 2021

Electronically Submitted to InsuranceRegReview.mia@maryland.gov

The Honorable Kathleen A. Birrane
Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

RE: Draft Regulation: 31.09.12 - Suitability in Annuity Transactions

Dear Commissioner Birrane:

FACC, the Federation of Americans for Consumer Choice, appreciates the opportunity to comment on the proposed revisions to Maryland's Suitability in Annuity Transactions regulation.

First and foremost, FACC commends the Administration for moving forward with adoption of the updated National Association of Insurance Commissioners (NAIC) Model Regulation (#275) that incorporates best interest requirements. We know your office was active on the NAIC working group that developed this model regulation and we are very grateful for your leadership on this front.

FACC and its members consisting of independent distributors selling mostly fixed annuity products believes the NAIC Model Regulation provides strong consumer protection while at the same time preserving consumer choice through well-balanced thoughtful regulatory requirements consistent with different delivery systems in the marketplace. We think it is important that states closely follow the model requirements so that companies and agencies operating nationally can efficiently comply and establish uniform practices that longer run will most effectively serve consumer interests.

FACC would like to suggest a few technical edits. FACC supports comments made by other trade groups suggesting that Maryland adhere to NAIC model language stating the scope and penalties. FACC also calls your attention to one technical error which unfortunately was not corrected in the NAIC model version until after being circulated to various insurance departments. Specifically, Section 04 C. (10) should be edited:

(10) The requirements under §C(1) of this regulation apply to the particular annuity as a whole and the underlying subaccounts to which funds are allocated at the time of purchase or exchange of an annuity, and riders and similar ~~producer~~ product enhancements, if any.

Thank you for your consideration and the opportunity to comment.

Sincerely,



Kim O'Brien, CEO