



February 15, 2019

Director Doug Ommen, Chair  
Life Insurance & Annuities Committee  
C/O Jolie Matthews  
Senior Health & Life Policy Counsel  
National Association of Insurance Commissioners  
444 N. Capital Street, NW  
Hall of the States, Suite 700  
Washington, DC 20001-1509

Dear Chairman Ommen,

The Ohio Department of Insurance appreciates having an opportunity to comment on the proposed revisions outlined within the *Suitability in Annuity Transactions Model Regulation* (#275) document dated November 19, 2018. As a consumer protection agency, the Department recognizes the importance of reviewing and revising model language as necessary, and appreciates the work performed to date by insurance regulators and interested parties.

During the Annuity Suitability Working Group meeting held in October of 2018, a great deal of time was spent discussing proposed enhancements to section 6, entitled “Duties of Insurers and Insurance Producers.” One specific topic discussed as part of this section, was the disclosure of compensation.

As noted in sections 6(C)(3) and 6(C)(4), a producer will be required to provide consumers with a description of the sources and types of cash compensation to be received from an insurer, intermediary or other producer. In addition, non-cash compensation which exceeds \$500 per producer per year must be disclosed.

While the Department acknowledges a compensation disclosure may be beneficial to consumers, it appears a number of significant concerns raised with regard to this topic (timing of disclosure, calculation difficulties, overall effectiveness for consumers, etc.) have not been fully addressed. In light of that fact, the Department would like to suggest the A Committee and/or Annuity Suitability Working Group revisit this very important topic and determine if further revisions are necessary.

Sincerely,

Michelle Rafeld  
Assistant Director  
Fraud & Enforcement Division  
Ohio Department of Insurance