

Annuity Values & Benefits Workstream Meeting Minutes – 2/19/19

Meeting Objective: Discuss workstream assignments.

Workstream Attendees:

Attendee/Company	Attendee/Company	Attendee/Company	Attendee/Company
Kevin Marrero, Morgan Stanley (Council Chair)	Eric Opiela, Jackson National (Council Chair)	AIG: Adam Neuman	AIG: Cara Hilton
AIG: Narendra Dommaraju	AIG: Monica Avery	AIG: Rhonda El Allamy	AIG: Sophia Elcock
Edward Jones: Ryan Brown	Global Atlantic: Steve Kilbon	Global Atlantic: Ellen Lester	Jackson: Sarah Mudge
Jackson National: Gary Rudnicki	Lincoln: Tony Pishvai	Lincoln: Dan Wilson	MassMutual: Joe Procacini
Merrill Lynch: Karen Slayton	Merrill Lynch: Sean Hurd	Merrill Lynch: Kelli Warner	Merrill Lynch: Patty Gregus
Merrill Lynch: Carol Steele	Morgan Stanley: Athena Goichman	Nationwide: Todd Connett	Pershing: Pete Banach
Pershing: Lachadra Mason	Pershing: Charles Webster	Principal: Jenni Krohn,	Principal: Holly Gulling
Raymond James: Elaine Soblit	Raymond James: Greg Street	se2: Harish Patil	Stifel: Kathi Carter
Stifel: Shelley Wallace	Symetra: Wendell Tobiason	Wells Fargo: Ladon Cooper	Wells Fargo: Jim Gilmore
Wells Fargo: Joel Jessen			

DTCC Attendees:

Jamie Taylor, DTCC Chair	Jeanann Smith	Jon Volpe
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Minutes:

Subject	Notes
Reviewed Action Items	<ol style="list-style-type: none"> Action Item #1 <ul style="list-style-type: none"> Sarah Mudge from Jackson walked through spreadsheet of RPB and RPC values Proposal to remove remaining protected balance - current benefit year <ul style="list-style-type: none"> Ryan - EDJ - uses this to determine how to maximize benefit for contract year. Jackson and EDJ agree that in the marketplace we need to remove the amount of overlapping definitions for values and qualifiers Robert - merrill lynch - look at RPB, do not look at decreasing value over year Jamie - DTCC - we need to get documented what is the business need for this overall scenario. More work to be done

	<ol style="list-style-type: none"> 2. Action item #2 Kathi <ol style="list-style-type: none"> a. Put together some definition of items that are truly long-term care riders. b. DTCC will reach out to the 4 carriers listed to determine usage and next steps 3. Action item 3 <ol style="list-style-type: none"> a. Carriers to pull prospectuses b. Please send to Jamie as you are able to chase them down 4. Action item 4 <ol style="list-style-type: none"> a. Todd, dug into Daily tracking value b. Product specific for Nationwide, hypothetical value, based on underlying performance of indices c. Do any distributors on the phone know if they sell it? <ol style="list-style-type: none"> i. Kathi would like to know what the product is (Todd - product is called NewHeights) ii. May be value in the new hybrid and structure annuities <ol style="list-style-type: none"> 1. Would be beneficial to see daily values 5. Action Item 5 <ol style="list-style-type: none"> a. Steve Kilbon - GA is not sending this value but on the list to add to feeds, waiting on product team on definitions 6. Action Item 6 <ol style="list-style-type: none"> a. Kevin - reached out to MS product team, we do take it in on the feeds but do not show downstream <ol style="list-style-type: none"> i. Would be interested in displaying downstream if the data is accurate and complete 7. Action Item 7 <ol style="list-style-type: none"> a. Edward jones displays anything that is sent <ol style="list-style-type: none"> i. PIR only receives from Jackson <ol style="list-style-type: none"> 1. Jackson current only sends current, looking to correct for future feeds 2. Why not send in IGR instead of PIR? - Ryan EDJ 3. Jackson is sending both ii. PIS only receives from one other carrier and only on 15 contracts
Continue Data Definition review – agree and finalize definitions	<ul style="list-style-type: none"> • Rows 50 and 51 - Kevin taking back to MS • Row 53 <ul style="list-style-type: none"> ○ Jackson believes current state is accurate ○ Kathi - this could apply to more than GMIB ○ Jamie - we need to find a way to make this clearer ○ Robert - Carol and Rob backed into what fields are people sending, which is all over the place, we probably just need to simply this ○ Ryan - we are also seeing duplication and would support simplifying

	<ul style="list-style-type: none"> ○ Jamie - marketplace was going to do value edits down to the product level, do we need to go deeper than that? • Row 54 <ul style="list-style-type: none"> ○ This is showing dollar for dollar, not pro-rata ○ For Jackson, pro-rate would be more of a product feature that changes based on product and carrier • Row 55 <ul style="list-style-type: none"> ○ Jackson - struggle to differentiate between declining and non-declining ○ Global Atlantic - same struggle, what is the difference? <ul style="list-style-type: none"> • Looked at original enhancement requests, was submitted by Wells Fargo • Didn't provide much detailed understanding ○ Jackson GMWB base is adjusted for withdrawals, not always representative of annual amount This may be the difference between declining versus non-declining ○ Jamie - distributors - are these values you are looking for? Or doing something with them today? ○ Group agrees standardization is needed from a distributor ask and a carrier fulfillment. ○ We need to leave both because carriers are only sending one or the other. <ul style="list-style-type: none"> • What is the business case? We should solve for business need, not carrier behavior. • If both are available, would you need both? • Joel - WF - we recommended putting them on here, because some carriers send declining, some send non-declining. It is possible to receive both on the same contract. <ul style="list-style-type: none"> ▪ Jackson charges fee based on declining number but withdrawal rate is based on non-declining number. ○ Definition approved as is for 55 and 56 • Row 57 and 58 <ul style="list-style-type: none"> ○ Joel from WF - we asked for these, you could take both of these out on the same contract ○ ML - this would apply to combination riders, but many carriers aren't sending both. ○ Jackson - we send to one or the other based on the rider benefit, only one would be populated, we do not have combo benefits. ○ Change to remaining instead of annual • Row 59 and 60 <ul style="list-style-type: none"> ○ How are these different then 57 and 58? <ul style="list-style-type: none"> • These are total annual, 57 and 58 are total minus withdrawals taken so 57 and 58 are whats remaining. • Row 61
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	<ul style="list-style-type: none"> ○ We don't have a way to pass frequency - Jackson ○ Jamie - how are distributors handling this today? ○ Merrill assumes annual ○ EDJ doesn't display ○ Jackson sends monthly ○ Jamie We will add it as annual and add a note that on the code part that we do not get a frequency indicator. ○ Is this fee going to be tied to the fees we receive for total base fee, mortality fee.
	<ul style="list-style-type: none"> • Row 62 <ul style="list-style-type: none"> ○ Group is good with definition as is
	<ul style="list-style-type: none"> • Row 63 <ul style="list-style-type: none"> ○ New value added by Jackson ○ EDJ - how would this represented positive or negative ○ We would have to be able to put a positive or negative ○ Jamie - is this calculated every day or on demand ○ Jackson - we calculate it every day for the products it pertains to ○ Lincoln does the same
	<ul style="list-style-type: none"> • Row 64 <ul style="list-style-type: none"> ○ New value added by Jackson ○ Kathi - this seems like a bonus annuity, may apply to some fixed as well, may want to differentiate from a surrender charge in the definition ○ Jackson - dollar amount would be based on full surrender
	<ul style="list-style-type: none"> • Row 65 <ul style="list-style-type: none"> ○ New value added by Jackson ○ Definition is good as is
	<ul style="list-style-type: none"> • Row 66 <ul style="list-style-type: none"> ○ New value added by Jackson ○ Current value exists as monthly but Jackson only sends annual
	<ul style="list-style-type: none"> • Row 67 <ul style="list-style-type: none"> ○ New value added by Jackson
	<ul style="list-style-type: none"> • Row 68 <ul style="list-style-type: none"> ○ New value added by Jackson
	<ul style="list-style-type: none"> • Row 69 <ul style="list-style-type: none"> ○ New value added by Jackson ○ Currently support percentage but not dollars, this would be a dollar amount
	<ul style="list-style-type: none"> • Row 70 <ul style="list-style-type: none"> ○ New values added by EDJ ○ These are being added already as enhancements to the POV, wanted them added to the list to not lose sight of.
	<ul style="list-style-type: none"> • Row 71 <ul style="list-style-type: none"> ○ New value added by EDJ ○ Percentage ○ Parking lot to the percentage workstream

	<ul style="list-style-type: none"> • Row 72 <ul style="list-style-type: none"> ○ New value added by EDJ ○ Percentage ○ Parking lot to the percentage workstream • Row 73 <ul style="list-style-type: none"> ○ New value added by EDJ ○ This is how much you have already been paid throughout the year • Row 74 <ul style="list-style-type: none"> ○ New value added by EDJ ○ On arrangements today, EDJ would like to provide better picture into frequency, dates, and amounts of systematic programs. ○ This is a date field - parking lot to date work stream • Row 75 <ul style="list-style-type: none"> ○ New value added by EDJ ○ Rate of return - is there interest in putting this out there ○ Looking for performance – EDJ ○ Revisit on next week's call for group's thoughts.
Discuss homework and action items for next week	1. None noted.

2/19/19 Action Items:

#	Action Item	Assigned To	Due Date