

Department of Consumer & Business Services  
**Oregon Division of Financial Regulation – 5**

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**STANDARDS FOR PRIOR APPROVAL**  
**GROUP DEFERRED FIXED AND VARIABLE ANNUITIES**  
ORS 742.003(1)

This checklist includes relevant statutes, rules, bulletins, and other documented positions to enforce ORS 731.016. **The standards are summaries. Review of the entire statute or rule may be necessary.** After diligent consideration has been given to each item, mark either the “Yes” or the “N/A” box. Compliance with these provisions must be certified by both the filer and an officer of the company signing the Certificate of Compliance form. These signatures certify the forms being submitted meet the requirements of our checklist and statutes. “Not applicable” can be used only if the item does not apply to the coverage being filed. If the reviewer requests the checklist (product standard), any line left blank may result in the delay or disapproval of the filing (If submitting your filing electronically, please bookmark the provision(s) in the form(s) that satisfy the requirement and identify the page-paragraph on this form).

*NOTE: Oregon statutes describe annuities as policies, and the national standards use “contract.” All references to contract are subject to “policy” statutory references and also apply to the certificate form when filing or determining the need to file a certificate with the group contract. Bold headings under the description indicate interstate compact headings.*

**TOI (type of insurance):**  A02G Group annuities - Deferred non-variable  A02.1G Deferred Non-variable & variable  
 A03G Group annuities - Deferred variable  A07G Group annuities - Special (See sub-type codes)  
 A08G Group annuities – Unallocated

**Sub-type code:**

A02G.001/A03G.001/A02.1G.001 Fixed premium  A02G.002/A03.002/A02.1G.002 Flexible premium  
 A02G.003/A03.003/A02.1G.003 Single premium  A02G.004/A02.1G.004/A03G.004 Modified Single premium  
 A02G.005/A02.1G.005/A03G.005 Limited Flexible premium  A07G.001 Equity indexed (attach supplement A)  
 A07G.002 Modified guaranteed  A08G.001 Funding agreement  
 A08G.002 GIC  A08G.003 Deposit administration

**Type of group:**

Employer/employee  Labor union  Employer/employee Qualified plan  
 Employer/employee Non-qualified 403(b)  An association\*  Industry-related trust\*  
 Discretionary group\*

\*Submit requirements for Association/trust/discretionary groups, Form 440-2441

Name of group entity to be the contract holder: \_\_\_\_\_

Review requirements	Reference	Description of review standards requirements	Check answer	
<b>GENERAL REQUIREMENTS (FOR ALL FILINGS)</b>				
Submission requirements	OAR 836-010-0011	<p>Required forms are located on SERFF or on our website: <a href="http://dfr.oregon.gov/rates-forms/annuities/Pages/annuities.aspx">http://dfr.oregon.gov/rates-forms/annuities/Pages/annuities.aspx</a>. These must be submitted for your filing to be accepted as complete:</p> <ol style="list-style-type: none"> <li>1. NAIC transmittal form.(paper filings only)</li> <li>2. Third party filer’s letter of authorization.</li> <li>3. Certificate of compliance form signed by authorized person.</li> <li>4. Readability certification for the certificate and group contract if fewer than 1,000 lives in the group, or if the forms are not subject to federal jurisdiction as securities.</li> <li>5. Product standards for forms (this document).</li> <li>6. If filing a rider, endorsement, or amendment, include the information listed in the guidelines from Form 440-3602.</li> <li>7. Statement of variability (see description under variable text).</li> <li>8. Actuarial memorandum with an overview of the contents of the filing, and the reasons and procedures used to derive charges. (<i>See rate requirements.</i>)</li> <li>9. Forms filed for approval. (<i>If filing revised forms, include a <b>highlighted</b> copy of the revised form to identify the modification, revision, or replacement language.</i>)</li> <li>10. For mailed filings, submit two sets of the complete filing and one self-addressed stamped envelope large enough to return approved forms.</li> </ol>	Yes  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	N/A  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Filing description on transmittal form, ORS 731.296	<p>The filing description (or cover letter) explains the following:</p> <ol style="list-style-type: none"> <li>1. If either the group contract or group certificate is not being filed, the cover letter identifies the contract or certificate, which meets all requirements.</li> <li>2. Description of the target market, i.e. qualified, non-qualified, broker/dealer, financial institution, Internet, etc. Description of the groups that will be marketed and verification that they are valid employer/employee groups under ORS 743.303 or an approved group under ORS 743.351, 743.354, or 743.360, unless Form 440-2441 is included.</li> <li>3. Changes made to or variations from other approved forms and a summary of the differences.</li> <li>4. Application form number(s) you’re using that have been approved and the approval date(s), if not part of this filing.</li> </ol>	Yes <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/>	N/A <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check answer
Review requested	ORS 742.003(1), OAR 836-010-0011(3)	The following are submitted in this filing for review: 1. New contract and/or certificate. 2. Amendment of an approved form. Complete revised contract/certificate is included with a current revision date and changes <b>highlighted</b> on one copy. 3. Adding new plan options for a previously approved contract ( <i>Submit new specifications pages with unique form number for each product line that can be issued as a standalone contract or certificate. See guidelines under Form Number.</i> )	Yes N/A <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Advertising	ORS 742.009 and ORS 746.270	Advertisements for group contracts are not required to be filed and do not require prior approval. Advertisements for this contract do not include a bonus or features that are not filed and approved in the contract and certificate. All advertisements, regardless of format (brochure, website, etc.), comply with the advertisement standards (440-3308), whether or not the advertisement must be filed, and are subject to audit. Illustrations of benefits payable do not use past investment experience to project future investment experience.	
Amount of Premium	ORS 743.303(3)	The amount of premium is based on something precluding individual selection.	Yes N/A <input type="checkbox"/> <input type="checkbox"/>
Applications	ORS 743.348(1) and (2)	Group eligibility: 1. Membership is not sold to qualify an applicant for group annuity insurance. 2. Group annuity insurance is not sold for the purpose of offering membership in the group.	Yes N/A <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	ORS 742.016	The application and contract do not reference the prospectus as part of the contractual agreement, nor does the application reference fees or details in the prospectus that are not in the contract and that would serve to control the contract.	Confirm <input type="checkbox"/>
Applications, continued	Form 440-2442, ORS 743.027, ORS 743.318, ORS 743.024(4), ORS 743.027	1. If filing includes an application form that asks medical questions, the product standard for <i>Life, AD&amp;D, and Annuity Applications</i> , Form 440-2442, is included. 2. Insurable interest does not apply to annuities. If the contract requires consent, the consent form is part of the contract and is included. 3. The policy contains a provision that a copy of the application, if any is attached to the contract when issued and all statements made by the policy owner or person insured are representations and not warrants.	Yes N/A <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Association/trust/discretionary groups	ORS 731.486, Form 440-2441	If filing includes issues to or through an association, trust, or discretionary group, Form 440-2441 is included.	Yes N/A <input type="checkbox"/> <input type="checkbox"/>
Assumption certificates	Form 440-3637	See standards for <i>Changes to Business Operations that Require a Filing</i> , Form 440-3637	

Review requirements	Reference	Description of review standards requirements	Check answer
Clarity/legibility /readability	ORS 742.005(2), ORS 743.104(1)(a), ORS 743.106(2)(f)(a)	Forms are clear and understandable in their presentation of premiums, labels, description of contents, title, headings, backing, and other indications (including restrictions) in the provisions. The information is clear and understandable to the consumer and is not unintelligible, uncertain, ambiguous, abstruse, or likely to mislead. Contract qualifies for a readability exemption. The filing includes a statement that the contract is subject to federal jurisdiction and meets requirements for exemption under ORS 743.104(1)(a).	Confirm <input type="checkbox"/>
Combination plans	ORS 731.170, ORS 742.041(5)	Endorsements for classes of coverage not authorized under ORS 742.041(5) are acceptable only when such endorsements meet the definition of “every insurance appertaining” to the annuity coverage. An endorsement meets the definition if it does not provide for additional coverage amounts and if provided at no charge, i.e., waiver of premium for involuntary unemployment.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Credibility	ORS 731.260	<b>Fairness.</b> The contract does not contain false, inconsistent, ambiguous, or misleading clauses or exceptions and conditions that unreasonably affect the risk purported to be assumed in the general coverage of the contract. The actuarial memorandum, demonstration, application are consistent with the contract, and demonstrations illustrate the John Doe form.	Confirm <input type="checkbox"/>
Discrimination	ORS 746.015, OAR 836-080-0050, OAR 836-080-0055	A statement is included that no assumptions or provisions unfairly discriminate in availability, rates, benefits, or any other way for prospective insureds of the same class, equal expectation of life, and degree of risk or hazard. <i>(For example, all sources of funds going into the contract and funds being withdrawn are treated alike.)</i> Distinction between man and woman, married and unmarried are considered discriminatory with respect to the kinds of contract and amount.	Confirm <input type="checkbox"/>
Domestic Partners	ORS 106.305(3-7)	Oregon law recognizes and authorizes domestic partnerships. Policy forms should reference Oregon’s domestic partnership law if the form makes reference to spouse, marriage, husband or wife. There are several exceptions to this and they involve language that specifically limits the definition of spouse to only those relationships that meet the federal definition of marriage which includes same sex marriages but does not recognize domestic partnerships. These include the spousal continuation under IRC 72s for annuity contracts and also in the case of annuity contracts that will be used for qualified plans or for the qualified supplemental forms (for example, an endorsement) that are used to make the base contract compliant with federal law.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Entire Contract Provision	ORS 742.016	The administration agreement between the company and contract owner or third-party administrator is a separate agreement from the insurance contract and not tied to the benefits paid under the contract.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check answer
Form number	ORS 742.003(1) ORS 743.104	The contract and certificate are filed under one form number, which provides the core coverage, including all the basic requirements. The form number is in the lower left corner of the policy and appears on each page. Basic contract requirements are not bracketed unless an alternative selection is included. Additional benefits, optional to the contract holder, are filed under separate form numbers. If optional coverages are incorporated into the contract, separate form numbers are disclosed on the specifications page with the option listing or filed as a separate rider.	Confirm <input type="checkbox"/>
Insurable interest	ORS 743.024, ORS 743.027, ORS 743.030, ORS 743.327	1. This contract provides benefit payments to the insured, insured's personal beneficiary, or the insured's estate. 2. If a consent form is required, an explanation is included as to how the contract will meet the consent requirements in ORS 743.024 and 743.027. 3. The consent form is limited to providing information regarding the coverage and requesting consent. A copy of the consent form is included with this filing.	Yes N/A <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Jurisdiction	ORS 743.187(2)(a), ORS 742.003	The jurisdiction for the contract is where the contract is delivered.	Yes N/A <input type="checkbox"/> <input type="checkbox"/>
Non-English contract	ORS 743.104(2)	If the filing includes forms in a language other than English readability requirements do not apply if the forms are direct translations of approved contracts that meet the product standards. The filing includes certification that it is a direct translation of an approved form.	Yes N/A <input type="checkbox"/> <input type="checkbox"/>
Qualified	Form 440-2454 or Form 440-3602	If filing an IRS or TSA contract, it must be filed using the individual standards, form 440-2454 (fixed or variable). If filing an endorsement, use form 440-3602.	Yes N/A <input type="checkbox"/> <input type="checkbox"/>
Table of contents	ORS 743.106(1)(d), ORS 743.103	Contract and certificate contain a table of contents or index of the principal sections, if longer than three pages or 3,000 words.	Confirm <input type="checkbox"/>
Unilateral amendments	ORS 742.003(1), ORS 742.005(3)	The contract does not provide for unilateral amendments that reduce or eliminate benefits or coverage or impair or invalidate any right granted to the contract owner under the contract. Amendments, riders or endorsements that change contract provisions are filed only to enhance benefits or contract provisions or to add tax qualified federal requirements.	Confirm <input type="checkbox"/>
		The contract may permit the company to make unilateral changes in the contract for guaranteed annuity purchase rates for additional premiums paid after issue and interest credited to those premiums. The contract provides for timely notification of the change, the change applies only to premiums paid and interest credited to those premiums after the effective date of the change, and the change is made by an endorsement subject to the applicable prior approval requirement.	Yes N/A <input type="checkbox"/> <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check answer	
Variable text	ORS 742.003(1), ORS 742.005(2)	<ol style="list-style-type: none"> <li>1. The company identifies items considered variable in brackets or otherwise marked to denote variability. The submission includes a statement on variability as a form filed for approval that discusses the conditions under which each variable item may change with specific alternate language that will be used.</li> <li>2. The company may identify ranges for product specifications that may be changed without prior notice or approval as long as the statement of variability presents reasonable and realistic ranges for the item. Fixed charges, fees, etc. can only be bracketed when the range from which fees will be issued is included within the brackets.</li> <li>3. All contract provisions are guaranteed, key terms defined, and all rights to make changes include the specific circumstances and extent of the reserved right with timely notice to the contract owner. (Open-ended provisions do not meet the requirements of ORS 742.023(1)(f) and 742.005(2), and changes require prior approval under ORS 742.003(1).)</li> <li>4. The filing identifies ranges for specific items or alternative language that may be used without prior approval. Changes outside of approved ranges or alternative language must be filed for approval.</li> <li>5. Separate accounts and funds available under the policy may be identified as variable. They may be changed without notice or prior approval as long as the new account or funds do not significantly alter the underlying structure of the policy and comply with ORS 733.220(6). The statement on variability includes a statement to that effect, and the investment policy of the separate account will not be changed without filing for and receiving the approval of the insurance commissioner of the state of domicile of the company.(And example of an unacceptable change would be the introduction of a separate account or fund with investment performance guarantees)</li> <li>6. Items such as the company phone number, address, officer titles, an signatures of officers located in other areas</li> <li>7. Any indication of any war risk exclusion.</li> </ol>	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
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## GENERAL FORM REQUIREMENTS

Review requirements	Reference	Description of review standards requirements	Check answer																		
Cover page	ORS 743.245, ORS 742.005(2)	<ol style="list-style-type: none"> <li>1. The full corporate name of the insuring company appears prominently on the first page of the contract.</li> <li>2. A marketing name or company logo, if used on the contract, must not mislead as to the identity of the insuring company. Contract title and subtitles are generic and clearly describe the guaranteed elements; contract title contains no marketing or group names.</li> <li>3. The insuring company's address, consisting of at least a city and state, appears on the first page of the contract.</li> <li>4. The signatures of at least two company officers appear on the first page of the contract.</li> <li>5. A form-identification number appears in the lower left-hand corner of the forms. The form number is adequate to distinguish the form from all others used by the company.</li> <li>6. The contract and certificate contain a brief caption that appears prominently on the cover page and describes the type of annuity coverage.</li> <li>7. If variable accounts are included, the face page and application includes a prominent disclosure of the variable nature of the product.</li> <li>8. The face page and application includes a statement in prominent print to the effect that contract values based on the separate account assets are not guaranteed and will decrease or increase with investment experience.</li> </ol>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">N/A</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Yes	N/A	<input type="checkbox"/>															
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Specification page	ORS 743.245, ORS 742.028(2), ORS 742.016	<p>The specification page of the contract is completed with hypothetical data that is realistic and consistent with the other documents for the contract and supporting actuarial memorandum.</p> <ol style="list-style-type: none"> <li>1. Any information appearing on the specification page that is variable is bracketed or otherwise marked to denote variability. A clear explanation of how the material will vary is provided. See section, "Variable text."</li> <li>2. The certificate specification page includes the date on which annuity payments are scheduled to begin under the contract, i.e., the maturity or annuity date.</li> <li>3. If subaccounts are included, the contract specifications page or application identifies the separate accounts under the contract.</li> <li>4. The specification page states any minimum contract premium requirements. Premiums are disclosed for each benefit, and contract fees and charges are disclosed separately on the specification pages.</li> <li>5. The specification page includes statements regarding guaranteed benefit periods, including restrictions or changes.</li> </ol>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50px;">Confirm</td> <td style="width: 50px;"></td> </tr> <tr> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td>Yes</td> <td>N/A</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Confirm		<input type="checkbox"/>		Yes	N/A	<input type="checkbox"/>											
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Specification page, continued	ORS 743.245, ORS 742.028(2), ORS 742.016	6. All surrender charges applicable to the certificate holder are disclosed on the certificate specification page, including any additional reduction by a market value adjustment. Any changes to surrender charges are filed for approval.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	ORS 746.015(1)	Any extra credits are fair and equitable and do not unfairly discriminate in their application and availability. Rollovers from other plans are not unfairly discriminatory. <i>(For example, all sources of funds going into the contract and funds being withdrawn are treated alike.)</i>	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	ORS 746.015, ORS 746.035	Any initial interest bonus included in the contract/certificate is disclosed separately on the specifications page with a statement that the offer is an inducement to purchase. <i>(Incentives to roll funds are not permitted.)</i>	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	ORS 742.005(2)	Term periods that guarantee the initial interest rate longer than one year are disclosed on the specifications page and available term periods are stated on the application for selection. If term periods are not renewable, the initial term period clearly discloses the limited offer and explained in the contract.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
<b>CONTRACT PROVISIONS</b>			Page & paragraph
Account value	ORS 733.220	<p><b>Separate accounts, if applicable</b></p> <ol style="list-style-type: none"> <li>The contract explains the allocation to subaccounts and any restrictions (e.g., transfers between/among subaccounts and between/among fixed accounts).</li> <li>The contract contains a provision stating that the portion of assets of the separate account equal to the reserves and other contract liabilities with respect to the account are not charged with liabilities arising out of any other business the company may conduct.</li> <li>The contract provides that income gains or losses, whether or not realized, from assets allocated to a separate account is credited to or charged against such account without regard to other income or gains or losses of the company.</li> <li>The contract identifies or describes the separate accounts available.</li> <li>The contract specifies the dates on which the assets of the separate account will be valued and provide that assets allocated to a separate account are valued at their market value on those dates. If there is no readily available market for assets in the separate account, the contract specifies how the assets would be valued. <i>(See claim payment section.)</i></li> <li>An account that requires participation in an asset-allocation model indicates, in the contract and/or the application, the asset-allocation models available. The name of the asset allocation model is stated; if the name does not indicate the risk level, that information is included in the contract, the application, or both.</li> </ol>	

Review requirements	Reference	Description of review standards requirements	Page & paragraph
Account value, continued	ORS 743.309	<p><b>Contract guarantees.</b> (Fixed accounts and fixed contracts)</p> <ol style="list-style-type: none"> <li>1. If a contract contains a fixed account, any interest rate used in the determination of the account value, cash surrender value, annuity value, and death benefit, and stated in the contract, are guaranteed. A minimum guaranteed rate must be specified; zero may not be used. Nonguaranteed interest rates may be stated only on the specifications page as current rates.</li> <li>2. For a contract that contains a fixed account and a separate account, any expense charges, surrender charges and partial withdrawal charges used in determination of the account value, cash surrender value, annuity value, and death benefit, and stated in the contract, are guaranteed. Nonguaranteed expense charges, surrender charges, and partial withdrawal charges may be stated only on the specifications page, as current charges. <i>(If filing ranges for different markets, explain in the statement of variability.)</i></li> <li>3. The contract states that paid-up annuity benefits, cash surrender benefits, and death benefits are never less than minimum values guaranteed under the contract.</li> </ol>	
Applications	ORS 743.318	The contract contains a provision that a copy of the application, if any, is attached to the contract when issued and all statements made by the contract owner or persons insured are representations and not warranties.	
Arbitration	ORS 36.600-36.740	<p>Voluntary arbitration is permitted by the Oregon Constitution and statutes after the claimant has exhausted all internal appeals and can be binding by consent of the covered participant. <i>(If the contract provides for arbitration when claim settlement cannot be reached, the contract owner/annuitant may elect arbitration by mutual agreement at the time of the dispute. Arbitration takes place under the laws of Oregon or another agreed-upon procedure. Arbitration must be held in the insured's county and state.)</i></p> <p>Any arbitration conducted by an arbitration organization must comply with Oregon law. See additional details below:</p> <ul style="list-style-type: none"> <li>• Either party may elect arbitration at the time of the dispute (after the claimant has exhausted all internal appeals);</li> <li>• Unless mutually agreed to at the time of the dispute, the decision will only be binding on the party that demanded arbitration;</li> <li>• Arbitration will take place in the insured's county or at another agreed upon location;</li> <li>• Arbitration will take place according to Oregon law, unless Oregon law conflicts with Federal Code;</li> <li>• The process may not restrict access to other court proceedings;</li> </ul> <p>Restricting participation in a class action suit is permissible.</p>	

Review requirements	Reference	Description of review standards requirements	Page & paragraph
Beneficiaries	ORS 743.327,	<p>The contract shall include the following beneficiary provision unless filed for specific situation as allowed by the insurable interest requirements.</p> <ol style="list-style-type: none"> <li>1. The contract contains a beneficiary provision that describes the terms and conditions for designating or changing the beneficiaries, for selecting default beneficiaries as may be necessary, and indicating when such designation is effective.</li> <li>2. The contract states that changes in beneficiary, unless otherwise specified by the owner, shall take effect on the date the notice of change is signed by the owner, subject to any payments made or actions taken by the company prior to receipt of such notice.</li> <li>3. If irrevocable beneficiaries are referenced in the contract, the contract explains that such a beneficiary cannot be changed without the consent of the irrevocable beneficiary.</li> <li>4. The default beneficiary is the participant's estate, however, \$500 may be paid to an entitled person having incurred funeral or other expenses incidental to the final illness or death of the person insured.</li> </ol>	
Certificates	ORS 743.330	<p>The group contract contains a provision that individual certificates will be provided to the participants that describes the benefits under the group contract. If the certificate is incorporated as part of the group contract, the certificate is also included as part of the entire contract provision. (<i>This requirement is not applicable to qualified pension plans.</i>)</p>	
Claim settlement	ORS 743.271(3), ORS 743.272(1) & (2), ORS 743.330, ORS 743.309	<ol style="list-style-type: none"> <li>1. The provision describes each type of settlement option, the guaranteed minimum payout amounts for each option, the guaranteed interest rate (greater than zero), and the mortality table being utilized.</li> <li>2. Annuitization is available with no additional charges and charges added solely to annuitize a participant's account are not allowed.</li> <li>3. The provision specifies a default settlement option at maturity. The default option shall be a life annuity with a period certain as provided under the Internal Revenue Code.</li> <li>4. The settlement provision describes any limitations to options for non-human beneficiaries.</li> <li>5. If this contract is filed as unisex, the annuitization provision includes a description of the mortality table uses in the contract, the interest rate, and the percentage for the blend of male and female mortality data used to develop the annuitization rates.</li> <li>6. Policies offering only a lump sum payout prominently state this limitation.</li> </ol>	

Review requirements	Reference	Description of review standards requirements	Page & paragraph
Claim settlement, continued	ORS 743.271(3), ORS 743.272(1) & (2)	<p><b>Variable annuity payment options, if applicable.</b></p> <ol style="list-style-type: none"> <li>1. If the contract provides for variable-annuity payment options, it provides a description of how annuity payments are determined.</li> <li>2. It provides a statement on the smallest annual rate of investment return that would have to be earned on the assets of the separate account so that the dollar amount of variable annuity payments will not decrease or a statement of the conditions under which the dollar amount of variable annuity payments will not decrease.</li> <li>3. The contract stipulates the investment increment factors to be used in computing the dollar amount of variable benefits or other variable contractual payments or values and must guarantee that expense and mortality results shall not adversely affect the dollar amounts. Guaranteeing a range of values for expense and/or mortality factors is allowable only during any deferral period before variable benefit payments are determined. However, once variable-benefit payments are determined, the mortality and expense factors used in their determination are guaranteed with no variation permitted thereafter. "Expense" as used in this subsection may exclude some or all taxes, as stipulated in the contract.</li> </ol>	
Claims of creditors	ORS 743.047	If the contract includes a provision for "claims of creditors," it may state that it is determined in accordance with applicable law. In the case of fraud, monthly payable amounts exceeding \$500 are subject to garnishee execution to the same extent as wages and salaries in a court-ordered judgment.	
Death benefits	ORS 743.330, ORS 743.327	<ol style="list-style-type: none"> <li>1. The contract contains a provision that settlement of the death-benefit proceeds is made to the beneficiary upon receipt of due proof of death.</li> <li>2. The death-proceeds provision specifies that which satisfies proof of death and includes standard proof (certified death certificate or finding from a court of competent jurisdiction) and other proof satisfactory to the company.</li> <li>3. The contract contains a provision that settlement of death-benefit proceeds is made promptly to the beneficiary upon receipt of proof of death.</li> <li>4. The contract clearly states how the death of the owner or annuitant during the deferral stage affects the continuation of the contract and how an owner (new or existing), annuitant, successor annuitant, etc., are affected.</li> <li>5. Death proceeds are available as a lump sum whether or not settlement options are available.</li> </ol>	

Review requirements	Reference	Description of review standards requirements	Page & paragraph
Entire contract provision	ORS 742.016	<ol style="list-style-type: none"> <li>1. The contract contains a provision that the contract constitutes the entire contract between the company and the owner and does not reference other agreements as a way to incorporate additional terms to the contract (i.e., statement of variability).</li> <li>2. If the application is to be part of the contract, the entire contract provision states that the application is part of the contract.</li> <li>3. The application and contract do not reference the prospectus as part of the contractual agreement nor do they reference fees or details in the prospectus that are not in the contract and that would serve to control the contract.</li> <li>4. References to federal requirements clearly describe the requirement and the effect on contract provisions. Inclusion of federal requirements does not include limitations that are not part of the federal regulation.</li> <li>5. Certificates include a provision that indicates it is a statement of benefits, rights, and conditions set forth in the contract.</li> </ol>	
Grace period	ORS 743.312	<ol style="list-style-type: none"> <li>1. The contract provides for a grace period of not less than 31 days during which the contract stays in force to allow for the payment of any premium after the first. The premium due and interest may be deducted from any claim proceeds.</li> <li>2. The premium due and interest may be deducted from any claims proceeds.</li> <li>3. The policy provides that the policyholder is liable to the insurer for the payment of a prorated premium for the time that policy was in force during the grace period.</li> </ol>	
Guarantees	ORS 742.005(2), ORS 743.309	All contract provisions are guaranteed (no open-ended provisions) and all rights to make changes include the specific circumstances and extent of the reserved right including timely notice to the contract owner.	
		If the contract offers term periods that guarantee the initial interest rate longer than one year, the provision describes the renewal requirements for subsequent guaranteed periods and surrender values available during the guaranteed term. <i>(If a market value adjustment is used, see requirements under Requirements for Rates.)</i>	
		For guaranteed periods that include a market-value adjustment upon surrender, the adjustment cannot reduce the credited interest rate during the guaranteed period below the nonforfeiture values for that period.	

Review requirements	Reference	Description of review standards requirements	Page & paragraph
Guarantees, continued	ORS 743.153, ORS 742.005(2)	<p><u>Guaranteed Income Benefit/Guaranteed Accumulation Benefit</u>            If a guaranteed income benefit or guaranteed accumulation benefit is included, the contract provides the following:</p> <ol style="list-style-type: none"> <li>1. The cost is shown separately from the contract on the specifications page.</li> <li>2. If death occurs prior to the benefit date, the unearned premiums is returned or added to the death benefit.</li> <li>3. The fixed annuitization rates are not less than those guaranteed under the contract. The rates used at annuitization must be the greater of the current purchase option rates or the contract guaranteed option rates unless an actuarial memorandum demonstrates a pricing methodology wherein benefits accumulated under this guarantee would produce a guaranteed benefit using alternate settlement rates that exceeds the contract guaranteed rates.</li> </ol>	
Incontestability	ORS 743.315, ORS 743.318	<ol style="list-style-type: none"> <li>1. The contract contains an incontestability provision and includes the conditions of the provision.</li> <li>2. The contestable period is no greater than two years during the lifetime of the insured.</li> <li>3. Coverage may be contested based on a material statement contained in an application only when made part of the contract except on the basis of age and sex. If the company expects to rely on an application to contest the contract, the company must attach to or endorse the application as a part of the contract.</li> <li>4. The <i>only</i> exception to the incontestability provision is for non-payment of stipulated payments to the company.</li> </ol>	
Loans	ORS 743.358, ORS 743.186, ORS 743.187, ORS 743.268,	<p>If the contract provides for a loan, it contains a statement that the contract is the sole security for the loan and provides for the following:</p> <ol style="list-style-type: none"> <li>1. A statement that the company reserves the right to defer the payment of any loan for a period not to exceed six months if written approval is requested at the time of deferral and received from the chief insurance regulator of the state of domicile of the company prior to the company exercising any contractual right to defer the transfer. The company may not defer a loan for the payment of any premium to the company.</li> <li>2. Description of the loan interest rate. The loan interest rate plus any added administrative fees is not greater than the maximum fixed rate of eight percent in arrears or a variable rate determined not to be the greater of the fixed rate or the Moody's Corporate Bond Yield Average – Monthly Average Corporates, published by Moody's Investors Service, Inc. for the calendar month that precedes by two months the month in which the determination date for the contract loan interest rate falls. The company may not charge any additional fees or expenses for the loan.</li> </ol>	

Review requirements	Reference	Description of review standards requirements	Page & paragraph
Loans, continued	ORS 743.358, ORS 743.186, ORS 743.187, ORS 743.268,	<p>If the contract provides for a loan, it contains a statement that the contract is the sole security for the loan and provides for the following: (continued)</p> <ol style="list-style-type: none"> <li>3. Provides that if interest on any indebtedness is not paid when due it is added to the existing indebtedness and bears interest at a rate no greater than the loan rate.</li> <li>4. Provide that existing indebtedness, including any due and accrued interest, may be deducted from the loan value or the proceeds of the loan. The contract may also provide that interest will be collected in advance to the end of the current contract year.</li> <li>5. The loan value is not less than 90 percent of the cash-surrender values less any existing indebtedness including unpaid interest after three full years' premiums have been paid, except to comply with federal requirements.</li> <li>6. Increases to the adjusted rate may be made for not less than one-half of one percent and not more than the maximum rate. Decreases are made when the decrease reaches one-half of one percent.</li> <li>7. Repayment of the loan is permitted and related conditions are described.</li> <li>8. Description of the effect of outstanding loans on the death benefit, cash value and maturity value.</li> <li>9. If and when the total indebtedness including interest due and accrued equals or exceeds the cash value then the contract shall terminate, but not until at least 30 days' advance notice of termination shall have been mailed to the owner and any assignee of record.</li> <li>10. Maximum number of loans allowed at any time, if any.</li> <li>11. Minimum loan amount does not exceed \$1,000.</li> <li>12. The provision may contain a statement that the company reserves the right to defer the payment of any loan for a period not to exceed six months after application for the loan is received the company may not defer a loan for the payment of any premium to the company.</li> <li>13. Interest credited to the loan can't be less than the rate needed to produce minimum nonforfeiture for that duration.</li> </ol>	

Review requirements	Reference	Description of review standards requirements	Page & paragraph
Misrepresentations & misstatements	ORS 742.013, ORS 743.315, ORS 743.318	The contract contains a provision that all statements made by or on behalf of the insured, in the absence of fraud, are representations and not warranties, and that no statement is used in defense of a claim unless in a written application attached to the contract when issued.	
	ORS 731.062, ORS 744.078, ORS 743.318	Any provision allowing for modification does not directly or indirectly imply that the company is not bound by statements given to the producer. Knowledge of or information given to the producer is knowledge or information of the company.	
	ORS 743.324	<p><b>Misstatement of age.</b></p> <ol style="list-style-type: none"> <li>1. The contract contains a misstatement-of-age provision , providing that the amount payable shall be such as the payment(s) to the company would have purchased at the correct age</li> <li>2. Any overpayment(s) by the company on account of misstatement of age may be charged with interest at a rate specified in the contract but not exceeding six percent, charged against the current or next succeeding payment(s) to be made by the company.</li> <li>3. If more than one annuitant/owner is insured, the misstatement provision may state that the amount payable may be adjusted due to the misstatement of age as appropriate, of any insured.</li> </ol>	
Nonforfeiture values	ORS 743.309	<u>Nonforfeiture values for fixed contracts or fixed accounts.</u> Disclose the contract guaranteed crediting rate on the certificate specifications page and include a provision that explains how the guarantees are determined and interest is credited. ( <i>See the actuarial requirements for determining minimum crediting rates. Zero may not be used.</i> )	
		Variable values for separate accounts. Provision describes how variable values are derived and credited.	
Ownership of contract	ORS 743.043	The contract contains an ownership provision. The provision describes the terms and conditions for designating or changing the ownership or for designating default ownership as may be necessary and indicates when such designation is effective.	
Payment plans	ORS 731.446, ORS 746.005(6)	<ol style="list-style-type: none"> <li>1. The contract states the dollar amount of any minimum or maximum contract premium requirements.</li> <li>2. Advance premium deposits are not subject to fees or surrender charges and are credited a stated interest rate.</li> <li>3. The contract contains a provision relating to the place of payment of premium.</li> </ol>	

Review requirements	Reference	Description of review standards requirements	Page & paragraph
Premium Taxes	ORS 731.854	<p>Premium Tax</p> <ol style="list-style-type: none"> <li>1. Oregon does not have a premium tax. No contract issued in Oregon may collect a premium tax charge based on premiums collected and reported in Oregon.</li> <li>2. If an insurer must pay tax on premium collected outside of Oregon on contracts originally issued in Oregon, the insurer may collect a premium tax charge no greater than the premium tax the insurer was required to pay on the corresponding premium.</li> <li>3. No premium or retaliatory tax charge may be collected on contracts issued in Oregon whatsoever unless the insurer is actually paying a premium or retaliatory tax on the contract. <ol style="list-style-type: none"> <li>a. The amount of any premium or retaliatory tax charge on any contract must not be greater than the premium or retaliatory tax the insurer is required to pay on the contract or corresponding premium.</li> <li>b. The terms and conditions of the premium or retaliatory tax charge must be the same as those required by the law requiring there payment: for example, if the state charging the premium tax does not allow insurers to defer payment of the tax, the premium tax charge may not be deferred by the insurer.</li> </ol> </li> <li>4. Any reference to assessing or deducting a premium tax charge must state “any applicable premium tax charge” or “any applicable retaliatory tax charge”.</li> </ol> <p>The statement such as no premium tax applies to Oregon contracts” of “ no premium tax in Oregon” also means the insurer may not deduct premium tax form premiums policy paid outside this state unless the insurer also adds a statement that they will deduct premium tax after moving to another state that does assess premium tax.</p> <p>If there is a premium tax statement on the cover page and/or specifications page, it overrides any conflicting statement within the main body of the contract. In accordance with the earlier referenced “requirement that forms and the actuarial memorandum be congruent”, the actuarial memo should be congruent with and mirror the contract. There should not be any conflicting statements between the two documents.</p> <p><u>Other taxes.</u> References to other taxes specify tax type and amount of tax on the specifications page. General references are made only for personal income tax deductions and a tax solely on the operation of a separate account.</p>	

Review requirements	Reference	Description of review standards requirements	Page & paragraph
Qualified plan	ORS 742.005(2)	Provisions disclosing ERISA requirements and rights are included only in qualified contracts and certificates and contains only what is required by federal regulation.	
Reports & statements to contract owner	OAR 836-051-0920	<ol style="list-style-type: none"> <li>1. The contract provides for the delivery, at least annually and without charge, of a report to the owner that serves to keep the owner advised of the status of the contract and that provides any other information required under state or federal law including the following:               <ol style="list-style-type: none"> <li>(a) Investments held in the applicable separate account</li> <li>(b) Number of accumulation units credited to the contract and the dollar value of a unit or the value of the contract owner's account</li> <li>(c) Any withdrawals or surrenders, the accumulation and cash surrender value.</li> <li>(d) The dollar amount of the death benefit</li> <li>(e) The amount of outstanding loan(s).</li> <li>(f) The beginning and end date of the current reporting period.</li> </ol> </li> <li>2. The status report of the contract must provide current information as of a date not more than four months prior to the date of mailing.</li> </ol>	
Surrenders	ORS 742.023(1)(f), ORS 743.309, ORS 742.005(2), ORS 743.327	<ol style="list-style-type: none"> <li>1. The contract clearly describes any surrender charges and other fees deducted and how they are applied to a partial withdrawal. If no surrender charges are applied to recover issuing expenses, assumptions for covering these expenses are explained.</li> <li>2. Participant surrender-value payout is available in a lump sum and is not restricted to payment over a period of time.</li> </ol>	
		<ol style="list-style-type: none"> <li>3. If the contract includes a market value adjustment (MVA) applied to a fixed account, the adjusted amount does not adjust values below the guaranteed minimums used to support compliance with nonforfeiture under ORS 743.309.</li> </ol>	
		<p><b>Partial withdrawal</b> (The value of a partial withdrawal is not less than that provided by the nonforfeiture law.)</p> <ol style="list-style-type: none"> <li>1. A contract that develops cash values may contain a partial-withdrawal provision.</li> <li>2. The contract contains the conditions applicable to a partial withdrawal.</li> </ol>	
		<p><b>Waiver of surrender charges</b></p> <ol style="list-style-type: none"> <li>1. If a benefit waiving surrender charges is included in a contract, the conditions of the waiver are clearly described in the contract.</li> <li>2. If the waiver of surrender-charge benefit is not described in a separate provision, such as a "bailout," then the reference to the benefit is descriptive by name and any time-period restriction or limitation is prominently disclosed.</li> <li>3. If the contract provides for a benefit waiving surrender charges contingent on a declared interest rate (bailout), the provision requires the company to provide the owner a timely notification (within 30 days) when the declared interest rate declines to a point at which the waiver of surrender charge benefit is available, and the contract owner is given at least 60 days to exercise the option.</li> </ol>	

Review requirements	Reference	Description of review standards requirements	Page & paragraph
Surrenders, continued	ORS 742.023(1)(f), ORS 743.309, ORS 742.005(2), ORS 743.327	<b>Deferral and valuation of payments.</b> 1. The contract describes any conditions and/or limitations on the valuation of any variable account amounts payable upon surrender, withdrawal, election of a loan, or transfer of funds. There is no deferral of payment to any portion of the death benefit.  2. For variable benefits or contractual payments, the contract may provide that the company reserves the right, at its option, to defer the determination and payment of all benefits for any period during which: (a) the New York Stock Exchange is closed for trading (b) the Securities and Exchange Commission has determined that a state of emergency exists that may make determination and payment impractical (c) a disaster has occurred that is dealt with under the company's disaster-recovery plan.	
		The contract may provide that the company reserves the right, at its option, to defer transfers for any period during which the New York Stock Exchange is closed for trading, the Securities and Exchange Commission has determined that a state of emergency exists or has imposed transfer restriction that may make determination and transfer impractical, or disasters are being dealt with under the company's disaster-recovery plan.	
	ORS 742.005(4)	Transfers are not subject to surrender charges.	

## REQUIREMENTS FOR RATES

Actuarial filing requirements for demonstrating compliance: **Information requested under this section is necessary to evaluate the filing for compliance. ORS 731.296**

Review requirements	Reference	Description of review standards requirements	Check answer
	ORS 731.296	<b>Additional Submission Requirements:</b> An actuarial memorandum signed by a member of the American Academy of Actuaries that describes the contract and all maximum benefit, surrender, and expense charges.	Confirm <input type="checkbox"/>
Bonus	ORS 743.309	Recapture of any part of a bonus demonstrates the cost period for the bonus in relation to the percentage of the recaptured amount for each duration.	Yes    N/A <input type="checkbox"/> <input type="checkbox"/>
Combination plans	ORS 742.041	<u>Combined classes.</u> The classes of life and health insurance may be combined. No other classes are combined in which the liability of the company for unearned premiums or the reserve for unpaid, deferred, or undetermined-loss claims is estimated in a different manner.	Yes    N/A <input type="checkbox"/> <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check answer
Discrimination	ORS 746.015, OAR 836-080-0050, OAR 836-080-0055	Filing includes a statement that no assumptions or provisions unfairly discriminate in availability, rates, benefits, or any other way for individuals of the same class, equal expectation of life, and degree of risk or hazard.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Expenses	ORS 742.005(2), ORS 743.023), ORS 731.296	If the filing includes a variable account and allows various options that are priced through the M&E charge, an explanation and demonstration is included that supports the cost for each option and explains how each option differs.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Guarantees	ORS 733.220(3), (4)	If this filing guarantees interest periods beyond one year, filing includes an explanation of how the extended guarantee is supported	Yes <input type="checkbox"/> No <input type="checkbox"/>
	ORS 743.153, ORS 742.005(2)	<u>Guaranteed Income Benefit/Guaranteed Accumulation Benefit.</u> If the filing includes guarantees on variable accounts, such as guaranteed income benefits or guaranteed accumulation benefits, the rates used at annuitization must be the greater of the current purchase option rates or the contract guaranteed option rates unless a demonstration of the pricing methodology is included, demonstrating that alternate settlement rates will produce guaranteed annuitization benefits that exceed those guaranteed under the contract and support the added costs for benefit.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Interest rates	ORS 746.015(1)	<u>Extra credits.</u> All extra credits are fair and equitable, and do not unfairly discriminate in their application and availability.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Nonforfeiture - fixed account	ORS 743.309, ORS 731.170,	<b>Nonforfeiture values for fixed account.</b> The criteria for determining guaranteed interest rates are included. If the contract does not guarantee a rate method as defined under the individual annuity nonforfeiture law, the actuarial memorandum demonstrates how the proposed method will provide values equitable in comparison to those of the individual annuity nonforfeiture law. Zero may not be used. <i>(To demonstrate equitable values, comparison may be made applying decreasing surrender charges starting at 10 percent over a 10-year period using individual nonforfeiture rates compared to the values provided in this filing and current crediting strategy for this contract. In no event shall less than one percent be guaranteed.)</i>	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Ratemaking generally	ORS 733.220(5), (6), ORS 731.156	<u>Separate accounts.</u> 1. Separate account assets are owned and controlled by the company. 2. Provision to change variable subaccounts is in compliance with ORS 733.220(6). 3. Annuities containing separate accounts shall be considered variable only if the value of the annuity (or portion of the annuity pertaining to the separate account) varies according to the investment experience of the separate account. Annuities (or portion of annuities) which vary with respect to an index or which fluctuate in value on any other basis not directly related to the investment performance of the funds in the separate account are not considered variable.	Yes <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check answer
Ratemaking generally, continued	ORS 733.030, ORS 733.220(8)	Reserve method includes a narrative description including an explanation of reserves for any guaranteed periods and bonus credits. Non-unitized separate accounts hold sufficient reserves to cover the guaranteed interest rate. Variable accounts with guaranteed-interest durations are included in the reserving description.	Yes <input type="checkbox"/>
	ORS 743.309	<u>Market-value adjustment.</u> The adjustment does not reduce the credited interest rate during the guaranteed period below the contract guaranteed values for that period.	Yes    No <input type="checkbox"/> <input type="checkbox"/>
	ORS 742.005(2),	<u>Unisex tables.</u> If this contract is filed as unisex, the description of the mortality table in the contract explains to the contract owner how the interest rate and the blend of male and female mortality data used to develop the annuitization rates coincide with the company's projected blend in the market for the contract.	Yes    No <input type="checkbox"/> <input type="checkbox"/>