

April 7, 2011

James T. Odiorne, CPA, JD
Deputy Insurance Commissioner
State of Washington, Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

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INSURANCE COMMISSIONER
COMPANY SUPERVISION

Re: NAIC Model Law #820 – Standard Valuation Law

Dear Mr. Odiorne,

Mr. Tom Marra asked me to respond to your letter dated March 21, 2011. I understand that Mr. Marra has contacted you directly to express his and Symetra Life Insurance Company's ("Symetra") appreciation for the opportunity to discuss the implementation of the new NAIC Model Law #820 – Standard Valuation Law. I would like to add my appreciation to his. The opportunity to discuss the law and how it will impact our business helps to foster an atmosphere of trust and cooperation when significant laws such as this are presented to the legislature. We appreciate your solicitation of our comments. After discussing your letter with Dena Thompson, Symetra's valuation actuary, we believe moving forward with a bill in the 2012 session of the legislature is the preferable timing.

Following are your questions with our responses below them:

Model 820, Sec 11, adopts a valuation manual that is not complete and may not be effective for several years. Should we adopt Model 820 as it currently is with automatic adoption of the valuation manual when it is complete at a later date? Should we provide for the adoption of the valuation manual by rule, and does that keep our adoption from being "substantially similar" for accreditation purposes?

We support enactment of Model 820 with automatic adoption of the valuation manual. This will allow domestic life insurers to be on an even playing field with out-of-state competitors with uniformity of reserving standards across the various states. We are uncertain whether adoption by rule would jeopardize accreditation.

The first nine sections of Model 820 are similar to the current language of chapter 48.74 RCW, but not exactly the same. How much of the Washington language in current chapter 48.74 RCW should be carried over into a new legislative proposal? How would that impact the substantially similar accreditation requirement?

Our preference is to retain only the existing statutory language that is necessary to make the law function in Washington State. Closely following the model provides greater assurance the law will meet the substantially similar requirement for purposes of accreditation.

Are there other Washington specific changes that need to be made to Model 820? How would those changes impact the substantially similar requirement of accreditation?

We are not aware of any specific changes that need to be made to have Model 820 work in Washington State other than the style requirements of the Office of the Code Reviser. The stylistic changes should not prevent the law from meeting the substantially similar requirement for purposes of accreditation.

Should rule-making authority be added to the model?

We support the flexibility offered by appropriate rule-making authority.

Section 14 of Model 820 provides for privilege and confidentiality of certain documents. Similar provisions in other legislation have been the subject of extraordinary scrutiny by members of the legislature and others. Our experience has been that confidentiality sections can impede, if not derail, the progress of a bill. Are there provisions in Section 14 that could be deleted in an effort to make the section less objectionable?

We appreciate the concern over the issues that privilege and confidentiality create among various groups that are politically active. We are willing to discuss the language in section 14 to determine if it can be made less objectionable to those groups with a very important caveat. Any changes to section 14 must not result in a competitive advantage to out-of-state insurance companies. In other words, we would be happy to discuss language changes or deletions that may ease the path to passage, but cannot agree to changes that damage our competitiveness as a Washington State domiciled company.

Thank you again for the opportunity to be invited to comment and participate. We look forward to meeting with you to discuss NAIC Model Law #820 in the stakeholder meetings. I plan to participate in those meetings, along with Dena Thompson, our valuation actuary.

Sincerely,



Jeffrey L. Laurence
Senior Counsel & Government Affairs
Symetra Life Insurance Company