



Electronically Submitted to omyers@naic.org

October 6, 2023

To: NAIC E-Commerce Working Group (the “Working Group”)

Re: Draft Updated Framework

On behalf of our members, the Insured Retirement Institute (IRI)¹ appreciates the opportunity to provide comments on the Updated Framework put together by the Working Group following responses to its State Laws Survey and comments received on an initial draft in Spring 2023. We support the Working Group’s efforts to outline the responses received from states, and to capture the feedback from interested parties on the top e-commerce issues facing the industry. While the current draft of the framework is a good summary and starting point, it’s unclear how states would use it for guidance going forward. We urge the Working Group to work towards developing a final work product, consistent with the Working Group’s adopted charges, that would be beneficial for regulators, industry, and consumers. As such, we would like to share the following recommendations/comments for the Working Group to consider:

First, IRI members continue to recommend that the Working Group draft a Model Bulletin or Guidance to address many of the issues outlined in the Framework. Our members support either a model bulletin or model guidance to give confidence that operating in the modern world is consistent with their regulatory obligations and to support innovation within the industry. We believe it would be most helpful for this bulletin or guidance to address the following items²:

- a) Support for the need to modernize/revise the affirmative consumer consent and reasonable demonstration requirements in the Uniform Electronic Transactions Act (UETA) and Electronic Signatures in Global and National Commerce Act (E-Sign).
- b) Support for utilization of an electronic signature as opposed to a “wet signature” whenever possible and as a default method.

¹ The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, and distributors such as broker-dealers, banks and marketing organizations. IRI members account for more than 95 percent of annuity assets in the U.S., include the top 10 distributors of annuities ranked by assets under management, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community.

² Please see IRI’s comment letter dated March 29, 2023, on the initial framework draft for more details surrounding these items.

- c) Clarification that all annuity-related disclosures and notices under NAIC model regulations do not require wet signatures or initials and may be delivered electronically.

Second, IRI recommends that the Working Group encourage adoption of NAIC model regulations and commit to working with states to seek uniform standards when it comes to various forms, documents, and other online materials, as noted in the Framework. We'd also request that the Working Group ensure that any Market Conduct Guidelines appropriately indicate that electronic delivery and signatures are sufficient to meet these requirements.

Finally, while we do not think the current draft of the framework is sufficient to provide guidance to the states, nor do we think it should be a final work product of the Working Group, we agree that is important to have a summary that captures the current state and outlines the key issues. To this end, we support further refinement of the framework, including removal of issues that are being addressed in other NAIC groups, such as "Use of Artificial Intelligence" or other areas where duplication is noted. Additionally, it might be helpful to note areas where states have taken innovative approaches to modernization, so that this could be used to inform any future guidance that is developed.

In conclusion, we are appreciative of the work done thus far, and we hope the Working Group continues the effort to provide meaningful guidance to help insurers support digital efforts that are now expected by many consumers when interacting with a business. When it comes time to begin work on the Model Bulletin or Guidance, we look forward to providing what we hope will be constructive, meaningful feedback. We'd also be happy to proactively assist with drafting some of the language, if the Working Group would find that helpful.

On behalf of IRI and our members, thank you again for the opportunity to provide these comments. We would be happy to discuss further with you and look forward to continued collaboration and partnership with the Working Group.

Sincerely,

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