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Insurance Department  
Office of Policy Enforcement  
& Administration

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May 3, 2002

Mr. Peter J. Salvatore  
Regulatory Coordinator  
Insurance Department  
1326 Strawberry Square  
Harrisburg, PA 17120

CC: Mr. Michael Bartholomew  
American Council of Life Insurers  
101 Constitution Ave., NW  
Washington, DC 20001-2133

RE: Proposed Rulemaking 31 PA. CODE CH. 83a, Life Insurance, Annuity Disclosure

Dear Mr. Salvatore:

I am writing to you on behalf of The Travelers Life and Annuity Company and The Travelers Insurance Company. Our companies are licensed to sell individual and group, fixed and variable and annuity products in Pennsylvania and, therefore, the proposed rule, when adopted, would affect our Company. We support the Department's goal of establishing a process whereby insurers provide information to their customers which improves understanding of the basic features of the product being acquired. We appreciate the opportunity to comment on the proposed rulemaking and ask you to consider the following:

The NAIC Model Annuity and Deposit Fund Disclosure Regulations provide that the prescribed disclosure document must be provided to prospective purchasers prior to accepting premium payments, unless the annuity contract or disclosure document provides for an unconditional refund period of at least ten days. Under these circumstances, the disclosure document may be delivered to the customer with the delivery of the annuity contract. We believe that this approach will better assure the goal of Proposed Rulemaking 31 PA. CODE CH. 83a for consumer understanding of the nature of the product he or she purchases.

Delivery of the disclosure statement with the contract allows the consumer to verify that the contract purchased is in fact the contract he thought he purchased. We believe this is an important point because the consumer may have been presented with a variety of annuity products by the agent, and properly so, from which he made a choice. Delivery of the disclosure statement with the contract allows the consumer to verify that there was no mistake or misunderstanding, but if there is any error, it can be rectified through use of the ten-day "free look" provision.

A secondary but significant support for this approach is that it is a relatively inexpensive and fool-proof way for the insurance company to assure that the consumer in fact receives the disclosure statement for the contract actually purchased. Moreover, by receiving it with the contract, the consumer is more likely to retain the disclosure statement along with the contract. This helps assure that future questions about the contract may be quickly answered.

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Thank you for your consideration of these comments. I would be happy to discuss them with you at your convenience.

Sincerely,

A handwritten signature in cursive script, appearing to read "Doreen H. Talone".

Doreen H. Talone, ASF, FLMI  
Manager  
State Filing and Compliance, 3MS  
(860)277-6668