



Consumer Federation of America

STOP UNFAIR PRICE HIKES IN UNIVERSAL LIFE INSURANCE

Dear Insurance Commissioner,

The Consumer Federation of America (CFA) calls on you and your office to take action to study and prohibit any unfair price increases being imposed on citizens of Oregon who own Universal Life (UL) insurance policies.

The increases are being applied to cost of insurance (COI) rate schedules by AXA Equitable, VOYA Financial (formerly ING), and Transamerica, which have notified their agents of this action, and quite possibly by other insurers as well. This practice could effectively void the interest rate guarantees in affected policies, as we explain in detail in the report [Insurance Regulators Should Block Cost of Insurance Rate Increases When Used to Avoid Guaranteed Interest Rates in Universal Life Policies.](#)

We request that you review these practices to determine if the insurers are using COI increases to maintain profits when the interest rates they have been crediting to cash values have been reduced to the contractually guaranteed rates, often 4%, sometimes higher. CFA believes that you should require UL insurers to justify COI rate schedule increases by demonstrating that current mortality experience of the affected block(s) of business exceeds pricing assumptions when the policies were sold.

Respectfully,

James H. Hunt, FSA
Life Insurance Actuary

J. Robert Hunter, FCAS, MAAA
Director of Insurance