

March 13, 2019

Brent J. Fields, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

1211 Avenue of the Americas  
19<sup>th</sup> Floor  
New York, NY 10036  
Phone: (202) 448-1985  
Fax: (866) 516-6923

Dear Mr. Fields:

RE: Updated Disclosure Requirements and Summary Prospectus for Variable Annuity and Variable Life Insurance Contracts, File Number S7-23-18

We appreciate the opportunity to provide feedback on the Commission's proposal on Updated Disclosure Requirements and Summary Prospectus for Variable Annuity and Variable Life Insurance Contracts. XBRL US<sup>1</sup> is a nonprofit standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International<sup>2</sup>, the nonprofit consortium responsible for developing and maintaining the technical specification for XBRL (a free and open data standard widely used around the world for reporting by public and private companies, as well as government agencies). XBRL US members include accounting firms, public companies, software, data and service providers, as well as other nonprofits and standards organizations.

According to LIMRA Secure Retirement Institute<sup>3</sup>, \$96 billion was spent in the United States on variable annuities in 2017. Variable annuities and variable life insurance contracts tend to be complex, as they can offer both investment and insurance features, with multiple options, and fees associated with these options, which may vary depending on the year of ownership. Variable annuity and variable life insurance filings, including forms N-3, N-4, N-6, and associated Pre-Effective and Post-Effective amendments, are lengthy, dense, and typically contain detailed information on multiple products.

Conducting a thorough evaluation of the various options can be difficult for the individual investor to easily understand. Making variable annuity data consistent, comparable from product to product, and easily accessible on a timely basis, will improve the investor's ability to evaluate these offerings, and is a task best handled through standardized reported data.

In preparing this letter, we consulted with XBRL US members who work closely with variable contract registrants in preparing their submissions, to better understand the issues they may face in transitioning to a standardized format for their reported financials. Separately, we conferred

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<sup>1</sup> XBRL US: <http://xbrl.us>

<sup>2</sup> XBRL International: <http://xbrl.org>

<sup>3</sup> LIMRA: <https://www.limra.com/secureretirementinstitute/research/>

with an organization that collects variable annuity and life insurance product data and provides comparative analytics for investors, to understand the value of this data to investors.

## Summary Recommendations

We strongly support the Commission proposal to require data about variable annuities in structured, machine-readable format using Inline XBRL. The detailed information that investors need to understand about variable annuity and life insurance products can be rendered substantially more transparent and understandable, if available in structured format. The transition to Inline XBRL, however, will be difficult for reporting entities because of certain common document preparation practices that have evolved to reduce filer burden, and because of the limitations of the SEC EDGAR System. Based on an understanding of these issues, we make the following recommendations for the Commission to consider in preparing the final rule:

1. All variable contract and life insurance companies should be required to submit data using Inline XBRL. To ensure that investors have access to consistent, comparable data about investment products, every company must be required to report in structured format. No phase-in for subsets of companies (for example, small companies versus large) should be allowed.
2. Companies will need additional time to make the transition. We recommend that the Commission extend the lead time to 24 months (rather than 18 as currently proposed). Many companies take advantage of the ability to submit a single filing in multiple sections (modules). This practice, combined with limitations in the EDGAR System that preclude the submission of modules in HTML or XHTML format, will add challenges to the transition to XHTML (Inline XBRL). These issues will require extra time to work through, both for the SEC and the reporting companies.
3. The Commission should consider requiring additional financial data beyond what is included in the proposal to further benefit investors. There are additional value drivers reported about variable annuities that would further facilitate product comparisons and aid in investment decisions.

To help illustrate how such standards can be built and used to improve the usability of variable annuity data, we developed a prototype Annuity Taxonomy (<https://xbrl.us/xbrl-taxonomy/2019-var/>) which will be discussed further in this letter. The taxonomy is available for the Commission or any other interested parties to download.

The following section of this letter responds to the specific questions raised in the SEC Request for Comment and provides the rationale for the recommendations above.

## Responses to SEC proposal questions

Proposal Question: *Should we adopt rules that make the submission of structured data in the Inline XBRL format mandatory for variable contract registrants?*

The submission of data about variable contract registrants in Inline XBRL format should be mandatory for all registrants, similar to the process for mutual fund providers. If companies are allowed to opt in, resulting in only a subset of annuity providers reporting in structured format, and others continue to report in paper-based (text) format, data aggregators will not be able to take advantage of the greater accessibility that machine-readable data brings. Most importantly, individual investors will not have available to them the type of detailed, timely information that this rule aims to provide.

There will be a learning curve and challenges for providers making their first filing using Inline XBRL, and it is likely that many, if given the option, would choose to continue reporting the way they do today - in text or HTML format. Therefore, we agree with the Commission proposal to make the move to Inline XBRL mandatory for all filing entities.

Proposal Question: *Should the requirements for variable contracts generally mirror the recently adopted Inline XBRL requirements for mutual funds and ETFs as we have proposed, or do variable contracts present different issues and considerations from mutual funds and ETFs? To what extent, or how, should registration statements and other filings for contracts operating in the manner that the Staff Letters describe, as discussed in section II.C above, be required to submit information in Inline XBRL?*

Variable annuity and life insurance companies will face greater challenges than mutual funds in making the transition. These challenges are detailed below. We propose two scenarios that the Commission should consider, to aid companies as they convert to Inline XBRL.

### **Learning curve.**

Unlike mutual fund companies, variable contract registrants have never filed in XBRL, therefore they will need extra time to identify an XBRL preparation solution and learn how to accurately tag their reported data.

### **Need to revise a complex preparation process for some companies.**

Also, unlike mutual fund companies, some large variable annuity and life insurance companies, including companies like MetLife, Brightpoint, and Mutual of New York, take advantage of a capability in the SEC EDGAR System, that allows them to submit partial documents. These companies submit portions (called modules) of an N-3, N-4, N-6, or associated Pre-Effective or Post-Effective amendment before all the pieces of the submission are complete. Modules that are ultimately merged into the registration statement are called "Type 1"; modules that are stand-alone documents are called "Type 2".

Type 1 modules typically contain a single set of financials, or the legal language associated with the registration statement. For example, one module may contain financials for the separate account; a different module may contain financials for the company. Each of these modules may be prepared by different individuals or departments within the filing entity.

When the modules are submitted to the SEC's EDGAR System, they are kept in a holding area until the registration statement is submitted. The registration statement, which is typically provided by the compliance or legal department, contains "pointers" that reference the Type 1 modules that have already been submitted. Once all the modules and the registration statement are received, the EDGAR system merges them into the single registration document and makes them publicly available. A single Type 1 module for a separate account may be referenced (and incorporated) by many different registration filings because it corresponds to multiple products.

Whereas Type 2 modules can be accepted by EDGAR in HTML, Type 1 modules can only be accepted in ASCII Text format. This is an important distinction. Type 2 modules are stand-alone documents. Type 1 modules represent a portion of a document, and must be seamlessly merged into another document, which is possible when the two documents are formatted in ASCII Text. Combining two HTML documents, or merging HTML and Text documents may result in formatting issues. Merging a Text document into an HTML or XHTML (Inline XBRL) document, would result in stripping out the text formatting - the text portion would appear as a single (very long) string. This issue can lead to significant problems when transitioning to Inline XBRL.

Companies like MetLife choose to provide materials in modules because they can create a set of financials once, and re-use them many times in multiple registration statements. In the MetLife N-4<sup>4</sup> example shown below, the financials for Metropolitan Life Separate Account E may have been prepared and submitted to EDGAR separately from the financials for the company, Metropolitan Life Insurance Company, as noted in the diagram. The Separate Account E financials may appear in many different filings. Preparing them once as a single module, saves time versus inserting these financials in multiple documents.

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<sup>4</sup> MetLife N-4, April 11, 2018: <https://www.sec.gov/Archives/edgar/data/744043/000119312518114324/d438242d485bpos.txt>

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM N-4

```
<TABLE>
<S>
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 [ ] [ ]
PRE-EFFECTIVE AMENDMENT NO.
POST-EFFECTIVE AMENDMENT NO. 30 [X]
AND/OR
REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940 [ ]
AMENDMENT NO. 268 [X]
</TABLE>
```

METROPOLITAN LIFE SEPARATE ACCOUNT E  
(Exact Name of Registrant)

Name of Separate  
Account E

METROPOLITAN LIFE INSURANCE COMPANY  
(Exact Name of Depositor)

Name of  
Company

200 PARK AVENUE, NEW YORK, NEW YORK 10166

(Address of depositor's principal executive offices) (zip code)  
(212) 578-9500

(Depositor's telephone Number, including area code)

STEPHEN W. GAUSTER  
SENIOR VICE PRESIDENT  
INTERIM GENERAL COUNSEL  
METROPOLITAN LIFE INSURANCE COMPANY  
200 PARK AVENUE, NEW YORK, NEW YORK 10116  
(Name and address of agent for service)

This practice, and the limitations of the EDGAR system, introduce difficulties in transitioning to Inline XBRL. To handle these issues, we propose two possible scenarios for a transition to Inline XBRL.

**Scenario 1: the SEC could revise the EDGAR system so that it can accept Type 1 modules in XHTML format.** Reporting companies would be able to retain their current process of preparing separate modules and referencing them from the registration statement. They will need to prepare the registration statement with XBRL tags in XHTML (Inline XBRL). Modules containing financials which do *not* contain XBRL tags will also need to be formatted in HTML or XHTML so that the two documents are in the same format, and can be combined. While this will allow registrants to continue the efficiency-driven practice of preparing sections of the filing separately, it does raise certain issues:

- The SEC will need to re-engineer the EDGAR System to accept Type 1 modules in XHTML.
- The Commission will need to rigorously test the XHTML submission process to ensure that the appearance and usability of the documents is not impaired by merging multiple XHTML/HTML documents. While the Type 1 module of financials will not contain XBRL tags, it will be merged into one that does (the registration statement). The SEC will need to guarantee that these issues will be worked out before variable contract registrants are required to begin complying.
- Today, module size is limited to 1 MB, per the EDGAR Filer Manual. Inline XBRL documents are much larger than ASCII Text files. This size limit may be too low for the majority of XHTML files that will need to be submitted.

- Multiple individuals and departments will need to adapt to preparing modules in XHTML format, rather than ASCII Text, which will require working with different applications and may require additional training for current staff.

**Scenario 2: companies could be *precluded* from submitting Type 1 modules.** Under this scenario, variable contract registrants would need to submit fully complete filings in XHTML format. This will ensure that the XHTML document, which contains XBRL tags for some items, is received in a usable format. There are however, issues with this scenario as well:

- Companies will need to make a significant change in process. A single individual or department will need to handle the preparation of all sections of the filing. This level of coordination will require additional training and potentially staffing.
- Document preparation will require the duplication of financials, which today, are often used over and over in multiple registration statements. This could be a significant burden on filing entities.

As the Commission prepares the final rule, they should consider these issues and determine the best way to aid companies that will need to make this transition. Whichever route the Commission chooses, they should allow more time for companies to make this transition.

*PROPOSAL QUESTION: Should any category of variable contract registrants be exempt from the proposed Inline XBRL requirements? If so, which ones, and explain why. If we were to exempt any such filers from the Inline XBRL requirements, should they be permitted to voluntarily file in the Inline XBRL format? What would be the effects on data quality and usability to investors and other data users associated with exempting such filers from the Inline XBRL requirements?*

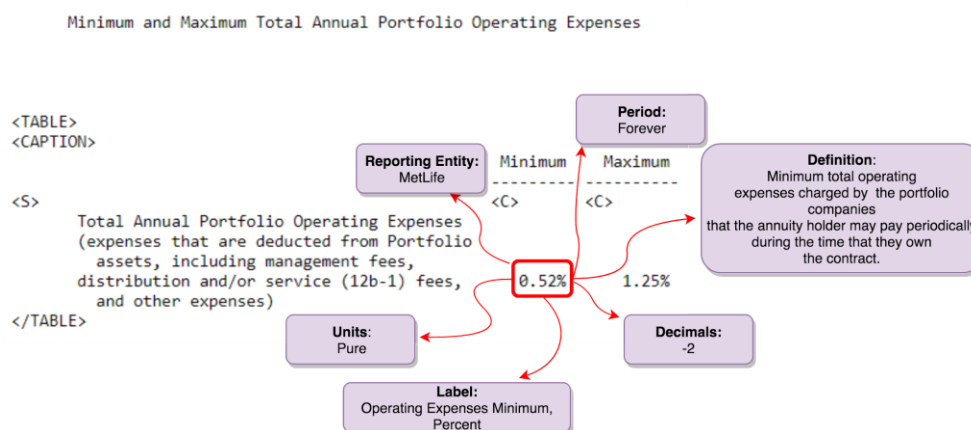
No category of variable contract registrants should be exempt from Inline XBRL requirements. Investors need access to data for all variable annuity and life insurance products in order to make an informed decision. Aggregators must have access to all product data in the same structured, machine-readable format in order to provide consistent, comparable information at the same level of timeliness. Comparability would be severely impaired if only a subset of products report data in structured format.

In addition, most variable contract registrants are large companies and therefore should have the resources to transition to inline XBRL within the same timeframe.

*Proposed Question: Should we otherwise take a different approach for variable contracts, and if so, what would that be? For example, should we require instead that information be submitted in reports filed on Form N-CEN? Would submission on Form N-CEN ensure that current structured data for all variable contracts, including those operating in the manner that the Staff Letters describe, as discussed in section II.C above, would be available under a common submission framework for all variable contracts? Would such a filing framework provide a less burdensome means of submitting the same structured data to the Commission? What would be the effects on data quality and usability to investors and other data users of having the information available in Form N-CEN's XML format instead of the proposed Inline XBRL format?*

Variable contract data should not be made available on Form N-CEN, and in fact, we disagree with the Commission's current approach for investment company preparation of Form N-CEN, which is required to be reported in a custom XML format.

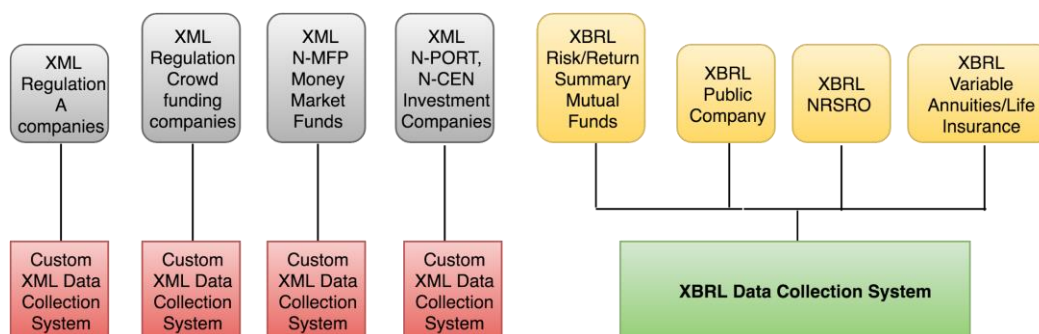
All financial data has the same characteristics that must be appropriately conveyed in order to understand the meaning of a reported value. Properties of any type of financial data include: the name of the item reported, decimals, time period, definition, units (pure for a ratio, or currency for monetary amounts, such as US dollars), reporting entity, and potentially dimensional qualifiers, such as revenue reported by business segment or region. These properties are easily conveyed when the data is reported using XBRL or Inline XBRL. The portion of a MetLife 485BPOS in the diagram below shows the properties of the value 0.52 conveyed in XBRL in the purple boxes.



This value is easily understood when read by the human eye, because of the rows and columns of explanatory information. But when that value is removed from the report and conveyed electronically, it must carry associated metadata with it. Only then can the data become machine-readable, and allow for automation in processing.

XBRL or Inline XBRL are the only standards that can handle this effectively, because the XBRL standard has structure to convey these properties. These characteristics equally apply to financial data reported by small businesses obtaining funding through Regulation A or Regulation Crowdfunding, money market funds reporting on Form N-MFP, investment companies reporting on Form N-CEN and N-PORT, mutual funds reporting Risk/Return Summaries, and public companies reporting 10-Ks or 10-Qs.

And yet, the first four of these reporting entities (as shown in the gray boxes on the diagram below) are required to report using completely different custom XML schemas that use different methods of identifying common financial terms such as "Assets". Organizations that collect data about these entities must create different data collection systems for each type of reporting entity. That includes the SEC, and any data or analytical tool provider. Each new data collection system increases the cost of data to the data consumer.



Mutual fund Risk/Return data, public company financials, and NRSRO data, however, which are shown in the first three yellow boxes on the right side of the diagram above, report in XBRL format. Organizations like the SEC, as well as data and analytics providers, can use the same data collection system for mutual funds as they do for public companies, NRSROs and eventually variable annuities (as shown in the last yellow box on the right). This is a significant savings versus creating new processes and systems for each type of entity.

Software providers that build reporting tools for entities filing to the SEC are also negatively impacted when custom XML schemas are required. Many providers work with different types of entities to prepare their financials for SEC submission. For example, a single software company may work with money market funds, public companies, mutual funds and investment companies. Because the SEC has opted for different schemas for different kinds of companies, creation tool providers must also build different products to meet the needs of different customers. For those working with mutual funds and public companies, which both report in XBRL format, they can leverage the same creation tools. But a different application must be used to prepare documents for money market funds; and a different application for Reg A companies; a different application for Reg CF companies; and a different application for investment companies. *This cost is ultimately passed down to the reporting entity.*

The lack of consistency in reporting of financial data by different entities is costly for both the preparers and the consumers of reported data.

Proposal Question: *Should variable contract registrants be required to use Inline XBRL to tag the proposed sections of the contract (Key Information Table, Fee Table, Principal Risks of Investing in the Contract, Other Benefits Available Under the Contract, and/or Portfolio Companies [Investment Options] Available Under the Contract) for Forms N-3, N-4, and N-6? Should only one or both Items 19 (Investment Options Under the Contract) and 20 (Additional Information About Investment Options Available Under the Contract) of Form N-3 be required to be tagged? Should other or different information be required to be tagged in Inline XBRL?*

Inline XBRL or conventional XBRL is the appropriate data standard for the financial information reported by variable annuity and life insurance product companies.

In addition to the data included in the proposal, the Commission should consider requiring other facts typically reported by these companies to be prepared in structured format. Reporting these



values in XBRL format would further improve the ability for investors to compare these products, and to facilitate data providers and researchers who extract information for multiple entities.

These items, listed below, represent additional value drivers of variable annuity and life insurance products, as well as identifiers that would help in databasing the information. Requiring these items to be tagged, in addition to those included in the proposal, would facilitate the ability of data aggregators to collect information on variable contract products, and provide research and analytics to consumers that will improve their ability to make knowledgeable investment decisions.

An appendix to this letter includes the full listing along with definitions. These concepts are also included in the prototype taxonomy we have prepared.

Insurance Carrier	Purchase Payment Credit, Description	Lifetime Withdrawal Benefit	Guaranteed Roll Up Period
Credit Rating Agency	Annuity Plan Type, Description	Return of Principal, Description	Maximum Roll Up Age
Credit Rating	State Restrictions, Description	Highest Anniversary Value	Lifetime Withdrawal Benefits for Single Policy
Insurance Carrier Legal Entity Identifier	Prospectus Date	Fixed Percentage Increase	Lifetime Withdrawal Benefits for Joint Policy
Annuity Type	Supplemental Prospectus Date	Earnings Enhancement Rider, Description	Lifetime Withdrawal Benefit Description
Annuity Product Name	Annuity Brochure or Prospectus, Link	Lifetime Benefit Rider Name	Single Life Rider Cost
Annuity Minimum Issue Age	Death Benefit Fee, Percent	Lifetime Benefit Rider Type	Single Life Rider Maximum Cost
Annuity Maximum Issue Age	Enhanced Death Benefit Fee, Percent	Lifetime Benefit Rider, Election Date	Joint Life Rider Cost
Annuity Identifier	Second Death Benefit Enhanced Fee, Percent	Step Up Reset Time, Frequency	Joint Life Rider Maximum Cost
Death Benefit Option, Description	Purchase Payment Credits, Description	Step Up Stackable, Flag	Rider Enhancement
Enhanced Death Benefit, Description	Minimum Issue Age for Living Benefit	Income Type, Description	Rider Enhancement Cost
Minimum Premium Qualified Amount	Maximum Issue Age for Living Benefit	Maximum Roll Up Period, Description	Rider Enhancement, Basis of Cost
Maximum Premium Qualified Amount	Guaranteed Minimum Income Benefit	Accumulation Benefit Type	
Minimum Premium Non-Qualified Amount	Guaranteed Minimum Accumulation Benefit	Rider Investment Restrictions	
Maximum Premium Non-Qualified Amount	Guaranteed Minimum Withdrawal Benefit	Guaranteed Roll Up Percent	

Proposal Question: *What costs or other burdens (e.g., related to personnel, systems, operations, compliance, etc.) would the proposed Inline XBRL requirements impose on variable contract registrants? Please provide quantitative estimates to the extent available.*

Adopting Inline XBRL will require registrants to identify and implement an XBRL creation process which may include outsourcing to a service provider, or establishing an inhouse program with staff trained in XBRL preparation.

However, while there will be upfront costs, over the long-term, costs can be expected to decline, and ultimately efficiencies for filers will improve. A pricing study<sup>5</sup> conducted by the AICPA and XBRL US found that the cost for small public company filers in 2017 was less than \$5,500 a year, and it had declined 45% from the last time the study was conducted, in 2014. Many public companies, who have been filing in XBRL since between 2009 and 2011, have adopted disclosure management solutions that provide not only XBRL preparation, but general document preparation. These applications have improved the efficiency of the disclosure process in general, and it is expected that many of these applications will be adapted to work with a taxonomy for variable annuities and their EDGAR submissions as well.

<sup>5</sup> AICPA/XBRL US price study: <https://www.aicpa.org/press/pressreleases/2018/xbrl-costs-have-declined-according-to-aicpa-study.html>

Variable contract registrants will benefit from the more than ten years of XBRL preparation conducted by public companies, mutual funds and other reporting entities, both in the US and outside the US. XBRL applications for creation and consumption have matured and improved dramatically over the years.

The more significant burden that variable contract registrants will face, is a change in process, particularly for those that follow the module approach.

*Proposal Question: How long is it likely to take for vendors and filers to develop solutions for tagging variable contract submissions in Inline XBRL?*

Standards programs that work with one XBRL application, can easily be adapted to work with any XBRL application. For example, once the SEC approved the IFRS Taxonomy, the tools that filers used to prepare 10-Ks and 10-Qs using the US GAAP Financial Reporting Taxonomy, were quickly adapted to work with the IFRS Taxonomy as well. It can be expected that most of these same tools can be adapted to work with variable annuity submissions as well.

*Proposal Question: As outlined in Section II.G below, we are proposing a similar compliance date of 18 months after the effective date of any final rules for the summary prospectus framework for all variable contracts to submit to the Commission the required information in Inline XBRL. Is this period appropriate, or should the requirement to submit the required information in Inline XBRL be subject to a compliance date later than the compliance date for any final rules for the summary prospectus framework? Should we adopt a phase-in schedule for the implementation of Inline XBRL for variable contract registrants based on certain factors, such as registrant size (or otherwise)?*

Given the significant change in process that registrants will have to make, we recommend that additional time be provided for the transition both to the change in forms and to the change in format. By providing an additional six months, the Commission will give registrants more time to adapt to the new process, forms, and format. We do not believe a phase-in for certain types of companies is necessary. All variable annuity and life insurance product companies will face the same challenges, regardless of size.

*Proposal Question: We are not proposing to provide a filing period for registrants to submit the Interactive Data Files. Instead, registrants would be required to submit Interactive Data Files on or prior to the effectiveness of a related initial registration statement or post-effective amendment, or concurrently with the filing of a related form of prospectus pursuant to rule 497. Are there costs or other burdens that may be incurred by filers if there is no filing period? Should we instead provide a filing period, and if so, what is the appropriate time period (e.g., 1 day, 5 days, 10 days, 20 days, 30 days)? In lieu of a filing period that would be available indefinitely, should we instead provide for a filing period that would be available for a temporary transitional period after the effectiveness of any final rules? If so, what should that transitional period be (e.g., the filing period would only be available for two years after effectiveness of any final rules, and thereafter, registrants would submit Interactive Data Files no later than the effectiveness of the related initial*

*registration statement or post-effective amendment, or concurrently with the filing of a related form of prospectus pursuant to rule 497, as under the proposed rules)? If there is a filing period, would investors and other data users find the structured data to be as useful as if it had been as proposed?*

Registrants should not be allowed to provide the Inline XBRL file after the HTML or ASCII Text version of the file has been submitted. This would result in 1) additional work for the registrant as the Inline XBRL document is both HTML and XBRL combined, and 2) this practice would reduce the value of the structured, XBRL data because it is delayed. Data aggregators would rely on whatever data is filed first, regardless of format.

A time delay of 15 days has been in place for Mutual Fund Risk/Return data in XBRL format, since that program went into place in 2009. Because of the 15-day grace period, use of Mutual Fund Risk/Return Summary data in XBRL format was limited. However, when the Commission mandated the use of Inline XBRL for mutual funds in June 2018, they eliminated this 15-day lag. When that rule becomes effective, data consumers have indicated to us that they will use the XBRL-formatted data because the XBRL version (which is much easier to process) will be available at the same time as the paper-based version.

*Proposal Question: To what extent do investors and other market participants find information that is available a structured format useful for analytical purposes? Is information that is narrative, rather than numerical, useful as an analytical tool? Would investors and other market participants find variable contract information that is available in a structured format useful for analytical purposes? To what ends would they find that information useful?*

Standardized, structured data is substantially more valuable for analytical purposes. HTML, PDF or ASCII Text data cannot be automatically extracted and used. It must first be parsed and reviewed, and may require manual intervention before it can be used for analysis.

Structured, standardized (XBRL) data is machine-readable and can be automatically extracted into a data aggregators system, and made available to investment clients on a significantly more timely basis than HTML or ASCII Text data. For example, XBRL US maintains a database which we make available to any user through a standardized, freely available API<sup>6</sup>. Our data is available to users within 10-15 minutes of it being posted to the SEC EDGAR System.

In addition, structured (XBRL) data is more consistent and comparable because it is based on an agreed-upon set of terms.

The CFA Institute, in its paper “Data and Technology, How Information is Consumed in the New Age<sup>7</sup> states about the XBRL standard: *“This format enables investors to capture and analyze ... information more quickly and at a lower cost. Any investor with a computer and an internet*

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<sup>6</sup> XBRL API: <https://xbrl.us/home/use/xbrl-api/>

<sup>7</sup> CFA Institute, 2018: <https://www.cfainstitute.org/-/media/documents/article/position-paper/data-and-technology-how-information-is-consumed.ashx>

connection now has the ability to acquire and download interactive financial data that, in the past, were available only to large institutional users.”

While the XBRL standard is typically considered in regards to financial data, narrative (text) data is also made much more valuable when in structured format. Users of US GAAP data benefit from the ability to extract narrative data such as corporate policies, such as accounting policy, and full disclosures for multiple companies, within seconds.

Proposal Question: *In what ways might the Commission enhance the access to Inline XBRL data submitted by filers?*

The Commission could enhance access to the data by making a version of the SEC’s Inline XBRL Viewer available to work with variable annuity data, and encourage commercial providers to take the open source code and adapt it for their own purposes.

Proposal Question: *Should we require other types of information to be submitted in the Inline XBRL format? If so, what other types of information would be suitable for the Inline XBRL format and why? Are there other means of embedding structured data into the human-readable format of filings that we should consider?*

As noted earlier, there are 57 additional terms that we believe would be helpful to have tagged in XBRL format. A listing of those terms and definitions is included in the appendix to this letter and can also be found in the prototype Annuity Taxonomy we have prepared.

## Prototype Taxonomy

To illustrate the possibilities, XBRL US developed a prototype Annuity Taxonomy which is shown in the diagram below and can be found here: <https://xbrl.us/xbrl-taxonomy/2019-var/>

### Variable Annuity Taxonomy, Demonstration Release

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STATUS:  
DEMONSTRATION

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In October 2018, the United States Securities and Exchange Commission published a rule proposal on Updated Disclosure Requirements and Summary Prospectus for Variable Annuity and Variable Life Insurance Contracts with [comments due by March 15, 2019](#).

If the proposal is passed as currently written, it will require variable contract registrants to submit certain information contained in Forms N-3, N-4, and N-6 in Inline XBRL format. To aid in discussion, the Demonstration Release on this page – in .zip format or viewed/downloaded as spreadsheet below – contains items included in the SEC proposal along with other elements helpful for investors evaluating variable contract products.

Demonstration Release Taxonomy (.zip)

This is a Demonstration Release, to illustrate how data standards can be created and used to support variable annuity products. It is not intended as a final taxonomy.

Please email us at [info@xbrl.us](mailto:info@xbrl.us) with questions or comments. **Can't see it below or want to download it?** [Open in Google Sheets](#)

Variable Annuity Taxonomy : AnnuityEntryPoint

100000 - Annuity Details

element #	name	depth	label, standard	label, documentation
1	AnnuityAbstract	0	Annuity [Abstract]	Information about annuity products.
2	AnnuityDetailsAbstract	1	Annuity Details [Abstract]	Detailed information about annuity products.
3	AnnuityTable	2	Annuity [Table]	Represents information about annuity products.
4	AnnuityAxis	3	Annuity [Axis]	Used as identifiers for annuities.
5	AnnuityDomain	4	Annuity [Domain]	Used as identifiers for annuities.
6	OwnershipYearAxis	3	Ownership Year [Axis]	Used to represent the ownership year of the annuity. When used with the CDSC line item, re surrender year.
7	OwnershipYearDomain	4	Ownership Year [Domain]	Used to represent the ownership year of the annuity. When used with the CDSC line item, re surrender year.
8	AnnuityProductAxis	3	Annuity Product [Axis]	Used to represent individual products within a single annuity.

The taxonomy contains 128 elements, and covers all the items required to be tagged in the SEC proposal, plus additional terms that we believe would also be important for data aggregators extracting data to provide in analytical platforms to individual investors.

The taxonomy has a single entry point, with the content grouped into the following sections:

- Information about the company
- Product features
- Fees
  - Annual contract expenses
  - Transaction expenses
  - Estimated fees
- Benefits
  - Living benefits
  - Death benefits
- Rider features
- Rider costs
- Withdrawal features
- Investment options

## Conclusion

We appreciate the opportunity to provide input to the Commission's proposal for structured data for variable annuity and life insurance products. The availability of machine-readable (XBRL) data will give investors consistent, reliable, comparable data on which to base their investment decisions.

Please feel free to contact me if you have any follow up questions or would like to discuss. I can be reached at (917) 582 - 6159 or [campbell.pryde@xbrl.us](mailto:campbell.pryde@xbrl.us).

Sincerely,

A handwritten signature in black ink, appearing to read 'Campbell Pryde', written in a cursive style.

Campbell Pryde  
President and CEO

## Appendix

Label	Definition
Insurance Carrier	Name of the insurance carrier.
Credit Rating Agency	Name of the credit rating agency, for example, Standard & Poors, Moodys, AM Best, Fitch, or Kroll.
Credit Rating	Credit rating, which is an evaluation of the credit risk of a prospective debtor, predicting their ability to pay back the debt, and an implicit forecast of the likelihood of the debtor defaulting.
Insurance Carrier Legal Entity Identifier	Legal entity identifier (LEI) of the insurance carrier.
Annuity Type	Type of annuity product which can be Variable, Fixed Index, Hybrid, Immediate, or Fixed.
Annuity Product Name	Name of the annuity product.
Annuity Minimum Issue Age	Earliest age of an individual who is allowed to purchase a particular annuity product.
Annuity Maximum Issue Age	Oldest age of an individual who is allowed to purchase a particular annuity product.
Annuity Identifier	Identifier of the annuity.
Death Benefit Option, Description	Description of the death benefit option.
Enhanced Death Benefit, Description	Description of the enhanced death benefit.
Minimum Premium Qualified Amount	Minimum amount of premium allowed to purchase an annuity that qualifies for an IRA.
Maximum Premium Qualified Amount	Maximum amount of premium the purchaser is allowed to put into an annuity that qualifies for an IRA.
Minimum Premium Non-Qualified Amount	Minimum amount of premium allowed to purchase an annuity that does not qualify for an IRA.
Maximum Premium Non-Qualified Amount	Maximum amount of premium the purchaser is allowed to put into an annuity that does not qualify for an IRA.

Purchase Payment Credit, Description      Description of the bonus credit available on purchase from the carrier.

Annuity Plan Type, Description      Description of the type of annuity plan, for example, qualified or non-qualified, or SEP IRA (simple IRA).

State Restrictions, Description      Description of state restrictions on the annuity.

Prospectus Date      Date of the issuing of the prospectus.

Supplemental Prospectus Date      Date of the issuing of the supplemental (amended) prospectus.

Annuity Brochure or Prospectus, Link      Link to the prospectus or brochure for an annuity.

Death Benefit Fee, Percent      Standard death benefit cost to the insured, stated as percentage of the contract value.

Enhanced Death Benefit Fee, Percent      Enhanced death benefit cost to the insured, stated as percentage of the contract value.

Second Death Benefit Enhanced Fee, Percent      Enhanced death benefit, if there is a second death benefit option. The amount is stated as percentage of the contract value.

Purchase Payment Credits, Description      Description of the purchase payment credit, for example 1% credit on purchase payments of \$1,000,000 or more (cumulative payments in contract).

Minimum Issue Age for Living Benefit      Minimum issue age, specific to the living benefit of the product.

Maximum Issue Age for Living Benefit      Maximum issue age, specific to the living benefit of the product.

Guaranteed Minimum Income Benefit      Description of the maximum age at which the guaranteed rollup will occur, for example, if individual purchases at 79 and it is guaranteed to rollup in 10 years, there may be a maximum age of 85 at which the rollup ends.

Guaranteed Minimum Accumulation Benefit      Description of the guaranteed minimum accumulation benefit (GMAB) which guarantees the minimum amount received by the annuitant after the accumulation period, or another set period of time, usually somewhere close to 10 years. This protects the value of the annuity and the annuitant from market fluctuations.

Guaranteed Minimum Withdrawal Benefit

Description of the guaranteed minimum withdrawal benefit (GMWB) rider which guarantees that a certain percentage (usually 5-7%) of the amount invested can be withdrawn annually until the entire amount is completely recovered, regardless of market performance.

Lifetime Withdrawal Benefit

Description of the guaranteed lifetime withdrawal benefit (GLWB) which is a rider to a variable annuity contract that allows for withdrawals, either regular or occasional, to be made from an annuity during the accumulation phase without penalty.

Return of Principal, Description

Explanation of the policy set for return of principal, related to the death benefit.

Highest Anniversary Value

Highest value the contract achieves within a specific time frame, typically one year.

Fixed Percentage Increase

Annual fixed percentage increase for the annuity.

Earnings Enhancement Rider, Description

Description of the Earnings Enhancement which is an insurance policy rider that is typically expressed as a percentage of earnings within the policy at the time the beneficiaries submit a death claim.

Lifetime Benefit Rider Name

Name of the Lifetime Benefit Rider.

Lifetime Benefit Rider Type

Type of Lifetime Benefit Rider which can be GMIB, GMAB, GMWB, or LWB.

Lifetime Benefit Rider, Election Date

Date at which the purchaser of the annuity can elect to add the rider to their contract, for example some riders can be added at the purchase date, some riders must be added later.

Step Up Reset Time, Frequency

Frequency at which the living benefit can reset and capture a higher contract value, for example, daily, monthly, annually.

Step Up Stackable, Flag

Indicates if the annuity is step up stackable, which means it has a guaranteed rollup that continues from the prior reset figure. If it is step up stackable, the value is TRUE. If it is not stackable, guaranteed rollup is not affected by market value reset and adjustments, and the value is FALSE.

Income Type, Description

Description of the income type of the annuity.

Maximum Roll Up Period, Description

Description of the maximum period of time or age that the guaranteed roll-up will run.

Accumulation Benefit Type

Type of accumulation benefit which can be compound or simple.



Rider Investment Restrictions	Description of restrictions on the rider, for example, there may be restrictions on allocation of the variable subaccounts (funds).
Guaranteed Roll Up Percent	Percentage of accumulation of benefit base, for example, 5% compounding over the guaranteed roll up period, or 7% simple over the guaranteed roll up period.
Guaranteed Roll Up Period	Number of years over which the benefit base accumulates, which is most commonly 10 years or 15 years. Most annuities will have benefits accumulate over the specified time period or at the point of first withdrawal, whichever occurs first. For example there may be a 10 year rollup but if a withdrawal is made in year 6, the rollup ends in year 6.
Maximum Roll Up Age	Maximum age at which the guaranteed rollup will occur, for example, if individual purchases at 79 and it's guaranteed to rollup in 10 years, there may be a maximum age of 85 at which the rollup ends.
Lifetime Withdrawal Benefits for Single Policy	Description of the lifetime withdrawal benefits of a policy for a single individual.
Lifetime Withdrawal Benefits for Joint Policy	Description of the lifetime withdrawal benefits for a joint policy.
Lifetime Withdrawal Benefit Description	Description of the withdrawal percentage, for example, withdrawal percentage is based on the younger of the two individuals in the joint policy.
Single Life Rider Cost	Cost of the rider for a single life policy, stated as a percentage of the benefit base or the contract value.
Single Life Rider Maximum Cost	Maximum cost of the rider for a single life policy, stated as a percentage of the benefit base or the contract value.
Joint Life Rider Cost	Cost of the rider for a joint life policy, stated as a percentage of the benefit base or the contract value.
Joint Life Rider Maximum Cost	Maximum cost of the rider for a joint policy, stated as a percentage of the benefit base or the contract value.
Rider Enhancement	Description of the rider enhancement.
Rider Enhancement Cost	Cost of the rider enhancement, stated as a percentage of the benefit base or the contract value.