



*States, Strength & Speed Aligned*

## **FILING INFORMATION NOTICE 2009-3**

**DATE:** October 2, 2009  
**FROM:** Karen Z. Schutter  
IIPRC Executive Director  
**RE:** **State Opt Out Filing Process**

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**Statutory References:** Article VII, Sections 3 - 6 of the *Interstate Insurance Product Regulation Compact* as adopted by Member States.

**Operating Procedure References:** Section 103(3) and 105(h) of the *Operating Procedure for the Filing and Approval of Product Filings*. Section 102(d) and (e) of the *Operating Procedure for the Implementation of Uniform Product Standards*. *Operating Procedure for Providing Notice of Opt Out of Uniform Standard by Regulation and for Submission of Petition for Stay of Uniform Standard*.

### **BACKGROUND**

The Interstate Insurance Product Regulation Compact ("Compact") authorizes a Compacting State to opt out of a Uniform Standard either by legislation or regulation duly promulgated by the Insurance Department under the Compacting State's Administrative Procedure Act. If a Compacting State elects to opt out of a Uniform Standard, the Uniform Standard shall remain applicable in the Compacting State electing to opt out until such time the opt out legislation is enacted into law or the regulation opting out becomes effective. If a Compact state has formally initiated the process of opting out of a Uniform Standard by regulation, and while the regulatory opt out is pending, the Compacting State may petition the Interstate Insurance Product Regulation Commission ("IIPRC") to stay the effectiveness of the Uniform Standard in that State.

The Operating Procedure for Providing Notice of Opt Out of Uniform Standard by Regulation and for Stay of Uniform Standard provides that unless a shorter time period is ordered, a stay granted by the IIPRC shall postpone the effective date of the Uniform Standard in the Compacting State for a period of ninety (90) days from the initial effective date of the Uniform Standard. The IIPRC may extend the period of stay by additional increments of ninety (90) days for a period of up to one (1) year from the initial effective date of the Uniform Standard.

Pursuant to the Operating Procedure for the Implementation of Uniform Product Standards, the Executive Director shall notify the System for Electronic Rate and Form Filing (SERFF) that the IIPRC has stayed the effective date of the Uniform Standard in the Compacting State or that the Compacting State has opted out of the Uniform Standard. Companies using SERFF to file products

with the IIPRC shall be notified that the applicable Uniform Standard will not be effective in the Compacting State.

The IIPRC may terminate a stay upon notice from the Compacting State that the Compacting State's rulemaking process has been terminated.

## **FILING PROCEDURES**

- If a Compacting State has provided a Notice of Opt Out of a Uniform Product Standard to the IIPRC, a link to this Notice will prominently appear on the IIPRC's Rulemaking Record under the applicable Uniform Product Standard and on the IIPRC's General Instructions in SERFF.
- If a stay of a Uniform Standard has been granted postponing the effective date of the Uniform Standard in the Compacting State, a link to the notice regarding the IIPRC's determination regarding the stay will prominently appear on the IIPRC's Rulemaking Record under the applicable Uniform Product Standard and on the IIPRC's General Instructions in SERFF.
- The IIPRC Office will notify IIPRC-registered companies of the Notice of Opt Out, and if applicable, the IIPRC's decision regarding a Compacting State's petition for stay.
- If a petition for stay has been granted and remains in effect or a Compacting State has completed an opt out of a Uniform Standard, the IIPRC cannot accept product filings for the Compacting State that utilize the pertinent Uniform Standard.
- If a Uniform Standard is assigned a unique TOI or sub-TOI in SERFF's Filing Wizard corresponding to the applicable Uniform Standard, the Filer will not have the option of selecting the Compacting State for purposes of preparing or submitting its Product Filing. However, since a product filing may be submitted under a different, related TOI, it is the responsibility of the Filer to ensure a product filing submission that requires the applicability of a Uniform Standard where an opt out is in effect does not include the Compacting State in its submission or state filing fee calculation.
- In the event a product filing is submitted for a Compacting State that has opted out of the applicable Uniform Standard, the IIPRC will notify the Filer to withdraw the Compacting State from the filing submission. The Filer is responsible for following-up with the Compacting State to seek a refund of any state filing fees paid to the Compacting State.
- Upon notice from a Compacting State that its opt out is no longer effective or upon termination of a Compacting State's stay of a Uniform Standard, SERFF will enable the option of selecting the Compact State when making a filing that includes the sub-TOI corresponding to the applicable Uniform Standard. Filers can then request the IIPRC to add the Compacting State to an already-approved product filing.

## **APPLICABLE IIPRC FORMS:**

None.

INTERSTATE INSURANCE  
PRODUCT REGULATION COMMISSION



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**EFFECTIVE DATE:**

This Filing Information Notice is effective immediately.

**CONTACT INFORMATION:**

Questions regarding this Notice should be directed to:

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