

# **THE INTERSTATE INSURANCE PRODUCT REGULATION**

## **COMMISSION AT FIVE**

The Interstate Insurance Product Regulation Commission (IIPRC) marked its fifth anniversary this year. Since its inaugural meeting on June 13, 2006, the IIPRC has achieved numerous benchmarks, including adding more states, adopting uniform standards for several product lines, building a superior-quality product review operations, and becoming the preferred method of filing for efficiency-minded companies.

The IIPRC serves as an instrumentality of its Member States by leveraging regulatory resources and expertise to establish uniform standards. These uniform standards are the foundation for the IIPRC's central point of electronic filing in SERFF. The IIPRC is transforming the way asset-based insurance products are filed, reviewed and approved allowing consumers to have faster access to competitive insurance products in an ever-changing global marketplace while maintaining strong consumer protections.

### **IIPRC Then and Now:**

IIPRC began accepting filings in June 2007. At that time, there were only 26 Members and six Uniform Standards in the individual life line. It received 38 product filings in that first year. The IIPRC has experienced significant growth since then, and now has 39 Members, with Nevada becoming an effective member on October 1 and Oregon becoming an effective member on January 1, 2012, to increase the number of Member States to 41 by the start of 2012.

The IIPRC has adopted 75 Uniform Standards to date, allowing companies to file a complete and wide array of products for individual life, annuity and long-term care insurance. Uniform Standards have also been modified to allow the filling of products that combine long term care insurance with life or annuity benefits. In addition, an entire suite of uniform standards for individual disability insurance are currently moving through the rulemaking process. and should be adopted in the Fall and available for filing in early 2012. Additional uniform standards for other product lines are also under development, including those for group life.

More than 140 companies have had over 900 products approved since the IIPRC received its first filing in June 2007, equating to nearly 24,000 SERFF transactions that would have had to be made if the filers did not file through IIPRC. The IIPRC has also built a strong regulatory review team with highly qualified and experienced form reviewers and actuaries focused on thoroughly reviewing all product filings for full compliance with the Uniform Standards. In recognition of increased volume and in keeping with its mission, the IIPRC has recently increased its review team by hiring additional product and actuarial reviewers.

#### Structure:

The Management Committee of the IIPRC directs its affairs and comprises of 14 members encompassing a three-tier representation of states based upon premium volume, consisting of the six largest states, four mid-size states by premium volume, and one additional state from each of four regional NAIC zones.

The IIPRC also has six standing member subcommittees with membership from the ranks of the full Commission. Those Committees are: Audit, Communications, Finance, Product Standards, Rulemaking and Technology. Additionally, the Compact legislation provides for the IIPRC Legislative Committee to work as an active partner in this process with eight members appointed by the National Conference of State Legislators (NCSL) and National Conference of Insurance Legislators (NCOIL). A Consumer Advisory Committee and an Industry Advisory Committee are appointed by the Management Committee to represent the consumer advocacy community and the industry, respectively. These advisory committees provide regular input on the IIPRC standards-setting process.

#### IIPRC Operations:

There is an annual registration fee for insurers to file with the IIPRC. By registering, an insurer of any size can start to reap the many benefits and savings from filing through the IIPRC in terms of costs, effort and time in systems development, product filing preparation, and product compliance and marketing. Many small and medium sized companies can take advantage of the reduced fee for regional insurers (12 states or less). The registration fee is also prorated by 50% after July 1.

The IIPRC utilizes the System for Electronic Rate and Form Filing (SERFF) for filing submissions and filers may select up to 39 (soon to be 41) jurisdictions during filing preparation. There is only one submission. The IIPRC filing platform on SERFF has been enhanced with unique qualities to meet the needs of its members and filers. It contains features that can only be found in the IIPRC instance.

- All filing fees are submitted to the IIPRC, using EFT, including all applicable state fees (even for non-EFT states) and are seamlessly passed through to the member states.
- The "Add a State" tab in IIPRC SERFF is available for filers to add states to their already approved filings as they roll out products in additional areas, without the need for additional approvals. New member states can also be added to filings using this feature or when there is a new member state. This year many filers have already taken advantage and were able to add the states of Illinois, New Jersey and Alabama receiving an acknowledgement the same day.
- Member states receive a message in their SERFF message center whenever it is included in an IIPRC filing. Members have "read-only" access to filings in the IIPRC instance and can monitor the progress of a product filing.
- The Statement of Intent Schedule (SOI) assists filers in "mixing and matching" IIPRC-approved forms with those already approved at the state level as permitted by the IIPRC Product Filing Rule and if specified in the applicable uniform standard. The IIPRC will also reopen approved filings at any time to allow the SOI to be updated with additions and deletions of forms and states.
- The SOI also provides for the entry of state filing information in a field-based data format providing templates and copy/paste functionality for easier input. The SOI format assists member states in monitoring the use of appropriate forms and especially useful for market analysis and surveillance purposes.
- A "mix and match" indicator appears in the filing information section of every IIPRC filing and message. Member states can flag such filings based on their own priorities.
- In addition to the basic SERFF search and export features, special search and export fields have also been added to facilitate the tracking of mix and match information.
- Member states may also make specified updates to filings in the state fields (for example tracking numbers, descriptions, statuses, reminders, etc.) within their respective SERFF instances.

- Reviewer checklists have been developed using each uniform standard and in accordance with speed-to-market best practices. Prior to approval, review of the product's compliance with each applicable uniform standard is evidenced by the completion of reviewer checklists posted as reviewer notes in SERFF that can be viewed by member states.
- Submission requirements and procedures are posted in SERFF filing rules, general instructions and on the IIPRC website and include a reference to the applicable uniform standard and/or provision of the IIPRC rules.

Product filings must be reviewed within 60 days in accordance with the provisions of the IIPRC rules. The IIPRC provides very detailed objections with citations to the applicable provision of the uniform standard. Filing submissions that have exceeded the 60-day period, usually involve filers that need additional time to comply.

#### Website Tools and Information:

The IIPRC website contains useful information for filers, member states and consumers.

- The Docket is where you can find uniform standards, rules and operating procedures moving through the process toward adoption, including any proposed amendments. Once adopted, these move to the Record.
- The Insurance Company Resource page contains a wide variety of information critical to the preparation and submission of a compliant IIPRC filing, including reviewer checklists and on-demand tutorials for completing the SOI and basic filing preparation.
- The Regulator Resource page provides historical, legislative and statistical information needed to keep abreast of product filing activity, trends and premium volume. It also includes on-demand tutorials for regulators, one providing details about viewing and exporting IIPRC filing information.
- The Consumer Resources page provides information for for accessing IIPRC information and contacting insurance departments in member states.

The business case has never been stronger for companies to use the IIPRC and for states to become members. We are committed to our goal of increasing efficiency by allowing companies to make one product filing and to receive a single comprehensive review under

detailed and uniform product requirements that can then be utilized in the compacting states. We have made tremendous progress in just five short years and continue to build upon our strong foundation as we add even more states, develop more uniform standards, and welcome more filers.

For more information about the IIPRC and information available to regulators and industry, visit the IIPRC website.

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