

Comments from Pennsylvania Insurance Department

11/20/2017

Following are brief responses to two of the questions that were posed recently, for possible reference during the 11/28 PSC conference call. These comments are based on personal observations and do not reflect any study or position of the Pennsylvania Insurance Department.

1. What individual life or annuity products or benefit features are companies filing with states rather than the Insurance Compact because of lack of Uniform Standards?

General:

- Online-only (or primarily) marketing and service
- Applications and related supplements

Life Insurance:

- Premium Deposit Fund riders
- Waiver of premium for unemployment
- Index-linked (non-CPI) death benefit (fixed WL)
- Non-standard contingent charge (UL)
- Lifetime income (UL)
- Non-standard policy loan provision
- Reversionary "Annuity" products
- Overloan protection on traditional WL
- Wellness activity-based premium/COI adjustments
- Maturity date extension (80 CSO WL)

Annuity:

- Index-linked variable annuities (recent resurgence)
- Payout option hybrid/incentive features
- Guaranteed Withdrawal Benefit enhancement/penalty
- Synthetic GICs
- Funding Agreements
- Contingent Deferred Annuities (none recently)
- Non-standard fee structures

2. Where is product innovation heading, resulting in a need for new or amended regulatory requirements and uniform standards?

- Online-only (or primarily) marketing and service
- Hybrid (fixed/variable) products
- Longevity product innovation
- Estate planning products
- Asset-based products

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