

11/8/2017

Good Morning.

Please see the attached list of recommendations for new Compact standards.

Thank you for soliciting our feedback and please let me know if you have any questions.



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#	Products and Product Features	Type of Product	Approved in any State? If not, why?	How does the benefit work?	How is this a consumer benefit?
1	Reduction of Surrender Charge	Flexible Premium Adjustable Life, Flexible Adjustable Variable Life	N/A	Waive some or all surrender charges on the policy for a charge. Not tied to health event (disability) - not annuity standard	Provides higher early cash surrender values.
2	Alternate guaranteed cash value	Flexible Premium Adjustable Life, Flexible Adjustable Variable Life		Provide minimum guaranteed cash surrender values, such as partial or full return of premium.	Provides higher early cash surrender values.
3	Death Benefit Distribution	Flexible Premium Adjustable Life, Flexible Adjustable Variable Life	Yes, 50 state filing but would prefer to file through the Compact. Compact requires a lump sum option at the time of death regardless of what the owner may have selected. Two states did not approve feature.	Instead of paying out the death benefit as a lump sum, spread it out over several years. Standards currently appear to "always" require the lump sum option be available	Higher death benefit and/or improved policy performance while the insured is alive

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4	Guaranteed Minimum Accumulation Benefit	Flexible Premium Adjustable Life, Flexible Adjustable Variable Life	Yes, 50 state filing but would prefer to file through the Compact	If a policy's alternate accumulated value is greater than the policy's accumulated value at a given point, the policy's accumulated value is increased to equal the alternate accumulated value. Similar to GMAB on variable annuities (http://www.insurancecompact.org/rulemaking_records/1016_glbv.pdf).	See "How does the benefit work"
5	Guaranteed Minimum Income Benefit	Flexible Premium Adjustable Life, Flexible Adjustable Variable Life	Yes, 50 state filing but would prefer to file through the Compact	Provides a minimum amount of income distribution from a policy when specific conditions are met. See GMIB for variable annuities (http://www.insurancecompact.org/rulemaking_records/1016_glbv.pdf).	See standard
6	Indexed benefits	Single and Multiple Premium Whole Life	Have not filed/unknown but there are no Compact standards for this	Allow performance of the policy to be influenced by indexed account credits. This is in addition to potentially having an indexed PUA feature	Potential for more policy value/death benefit growth
7	Waiver of Charges	Flexible Premium Adjustable Life, Flexible Adjustable Variable Life	Have not filed/unknown but there are no Compact standards for this	For disability, unemployment and critical illness (e.g. heart attack, stroke, etc.)	More consumer options
8	No post level term period requirement	Term	Have not filed/unknown but there are no Compact standards for this	Level term period only	Simplifies product and premiums
9	Term products to age 100 only	Term	Have not filed/unknown but there are no Compact standards for this	Term typically not needed beyond age 100	Simplifies product

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10	Simplify Combo Products - make it easier to adhere to multiple standards (e.g. Life, health and annuities)	Term, Flexible Premium Adjustable Life, Flexible Adjustable Variable Life, Long Term Care	N/A	Innovation happening in life/ltc combo arena. Disability coverage at early age and then long term care coverage later in life.	Flexibility in available coverage and benefits.
11	Create new Permanent and Term Combo product standards	Flexible Premium Adjustable Life, Flexible Adjustable Variable Life	N/A	Term turning into UL when policy owner needs change	Flexibility in available coverage and benefits.
12	Create new Life and annuity combo product standards		N/A	Allows for seamless transition across product/benefit types	Flexibility in available coverage and benefits.
13	Expanded amendment and endorsement standards related to modifying applications at time of issue	Flexible Premium Adjustable Life, Flexible Adjustable Variable Life, Term, Whole Life, Long Term Care		Standards appear to only allow for corrections to applications, however minor or regardless of its impact on policy values or underwriting, to be corrected with appropriate party signatures.	Minor application/application related form corrections that require an additional customer signature are not well received by customers.
14	Life with independent health benefits; not tied to acceleration	All	N/A	Not tied to acceleration of death benefit	Bundling of policy features; pay for feature with accumulated value
15	Ability to change product from term to UL or other life or health product type without conversion	All	N/A	Allows for seamless transition across product/benefit types	convenience, flexibility, to adapt to changing insurance needs