

**Agenda Item 2. Continue discussion of comments received by the Management Committee from Utah and PA's suggested revisions regarding amendments to the Additional Standard for Guaranteed Living Benefits for Deferred Variable and Non-Variable Annuities under Phase 5 of the 5-Year review.**

Mary Mealer, Missouri, Chair of the Product Standards Committee (PSC) summarized the concerns raised by the Utah Department of Insurance that they believe that some of the benefit triggers that act to allow the contract holder to be eligible to receive additional withdrawal amounts may cause such products to come under the definition of Long-term Care found in NAIC Model #640. She noted that Committee members were asked to review their state filings to determine if the state receives and approves Guaranteed Living Benefit (GLB) products with these types of triggers for added withdrawal amounts and if the state imposes any restrictions. The responding Committee members all indicated that they do receive and allow such products. Some states indicated there are restrictions if the products appear to fall under the definition of long-term care.

The PSC then discussed the revisions suggested by Pennsylvania to delete the first qualifying event trigger related to confinement in a healthcare facility, since that appeared inconsistent with the added Scope language that the standards do not apply if the benefit is contingent on the covered person's receipt of long-term care services or support. Pennsylvania also suggested adding a limitation on the extra benefit based on qualifying events to § 1 Additional Submission Requirements C. Variability of Information item (3) so that the benefit remains incidental to the annuity benefit. The limitation on the added benefit (in addition to the basic benefit) is twice the benefit amount otherwise payable and the benefit period cannot be longer than otherwise stated. Following discussion, the PSC agreed to both suggested changes.

New Jersey also suggested restricting the use of the term "long-term care" in the name of the rider and fixing or guaranteeing the rider charge for the life of contract. IIPRC staff noted that the IIPRC does not have rate authority over annuity products; however the current GLB standards do require that the actuarial memorandum include a description of the GLB charge rate and how it is applied, as well as disclosure of the maximum GLB charge rate on the specification pages. Staff also noted that the revised Scope contains a statement indicating that the products cannot be described as long-term care insurance or providing long-term care benefits, so the IIPRC would object to a product filed under these standards that was described as a long-term care rider. Given this information, the Committee concluded that no further changes were necessary.

**Agenda Item 3. Any other matters.**

The Chair noted that the IIPRC procedures for advance notice of public calls coincides with the NAIC Spring National Meetings, so a public call will be scheduled for after those meetings to expose these revisions. The draft Report and Recommendations for Phase 6 of the 5-Year Review – the Long-term Care Uniform Standards will also soon be exposed and the PSC will begin discussions on this report.

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