

Product Standards Committee (PSC)
Regulator-only Call Summary
March 26, 2024

Agenda Item 2. Discuss ACLI-CAI request to add drafting note to the ILVA contract standard.

The Management Committee asked the PSC to review the ACLI-CAI request to add a drafting note to the ILVA contract standard. The ACLI -CAI submitted a request to add a drafting note to ensure clarity that the intent of Section 3.K. pertains only to the substitution of an index during an index strategy term. Andria Seip asked the Compact Office to discuss the request. Katie Campbell, Compact Actuary, said the drafting note would not change how the substantive provision of the standard is already applied in the comparable annuity and life insurance standards for index-linked features. The PSC members had no concerns with recommending that the drafting note be added to the standard.

Agenda Item 3. Discuss preparation for the public call on April 9 on amendments to the calculation of the initial benefit base for Guaranteed Minimum Accumulation Benefit (GMAB) features under the Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities

Andria Seip asked PSC members if they had questions about the revisions to the GLB standard. The exposed version of the GLB standard modified the benefit base provision to allow for the benefit base to be a portion of the initial premium and removed the sum of premium floor on the benefit base. The ILVA subgroup discussed whether a minimum percentage should be specified so that there is a “reasonable” percentage of premium floor on the benefit base. PSC members agreed to a minimum percentage of 50 % and not to accept the ACLI-CAI amendments. There were no comments on the revisions.

Agenda Item 4. Review edits to the drafting note for the Group Term Life Insurance Accelerated Death Benefit standard

PSC members reviewed the revision to the drafting note regarding the incidental test. There were no comments.

Agenda Item 5. Review remaining comments to the amendments to the group whole life insurance draft uniform standards for nonemployer groups

Andria Seip said the subgroup comments have been added to the drafts and asked the PSC members if there were any concerns about scheduling a public call. There were no concerns. The public call will be scheduled to receive comments. Missouri submitted some comments and

questions. Andria Seip said the comments will be discussed along with any comments from the public call on the next regulator-only call.

Agenda Item 6. Discuss next items

- a) **Amending the Group Disability Income Uniform Standards to allow for nonemployer groups**
- b) **the ACLI comments on the five-year review of the Group Disability Income Standards**

Andria Seip asked the Compact Office to discuss the 5-year review process and to go over the comment letter from the ACLI on the Group Disability Income Standards. The first request was to amend the eight group disability income standards to allow other than employer groups. This request is on the 2024 Annual Prioritization list. The second request was to permit mix and match to allow state filed group applications and evidence of insurability forms used with Compact-filed products. The request stated that the Compact would not allow an application for product lines outside of the Compact. The Compact Office said that it would accept a group application with no medical questions for other products as well as group disability income. PSC members discussed how applications for multiple product lines and different SERFF types of insurance were handled. PSC members will provide feedback on the types of applications accepted for the next call. The Compact Office will ask the ACLI for clarification on the group application request. The PSC will continue reviewing the comment letter on the next regulator only call.

Agenda Item 7. Any Other Matters

The next meeting of the PSC will be a public call on April 9. There were no other matters.