

Agenda item 2. Discuss proposed edits to draft Additional Standards For Forms Used To Provide Tax Qualified Plan Provisions For Group Annuity Contracts and Group Life Policies

PSC members discussed removing a sentence in Section 2A(1)(e). The Compact Office explained that the sentence only applies to specific information that identifies the contractholder in a cover letter that is sent with the amendment. The Compact Office confirmed that this provision is consistently applied correctly by Compact reviewers and creates no confusion in the review process. PSC members agreed to retain the sentence.

Section 2A(1)(e) The form or contract specifications page shall include the following identification information: the contract number, the owner's name, the annuitant's name if other than the owner, and the effective date of the tax qualified plan provisions. ~~Alternatively, if the company includes such identification information in a letter sent to an owner of an in-force contract when such letter accompanies the form, the company shall so state in the submission.~~

After further PSC member discussion, it was determined that the word "Alternatively" would be removed to avoid confusion:

Section 2A(1)(e) The form or contract specifications page shall include the following identification information: the contract number, the owner's name, the annuitant's name if other than the owner, and the effective date of the tax qualified plan provisions. ~~Alternatively,~~ **If** the company includes such identification information in a letter sent to an owner of an in-force contract when such letter accompanies the form, the company shall so state in the submission.

Agenda item 3. Discuss amendments to Group Fixed Annuity Contract Uniform Standards, Group Annuity Certificate Uniform Standards and Uniform Standards for Group Guaranteed Interest Contracts for Non-variable Annuities to allow for nonemployer groups

There were no additional comments or questions received after the March 18 PSC call, nor were there any additional comments or questions from PSC members during the call. These drafts are ready for the PSC public call on May 6.

Agenda item 4. Discuss draft Additional Standards for Graded Death Benefit for Group Term Life Insurance Policies and Certificates

Andria Seip said the Compact Office provided a memo with suggested edits to the review standards.

Compact Office suggested revisions:

- There would be no actuarial review required for group term with graded death benefits (aside from any accelerated death benefits). This would be consistent with the requirements for group term with level death benefits.
- Delete section 1.B ACTUARIAL MEMORANDUM REQUIREMENTS entirely:

1. ADDITIONAL SUBMISSION REQUIREMENTS
~~B. ACTUARIAL MEMORANDUM REQUIREMENTS~~

~~(1) If the early duration reduced death benefit is equal to return of premiums with interest, the actuarial memorandum must describe and provide an example of how average amount of insurance is determined in calculating adjusted premiums for the nonforfeiture demonstration. The adjusted premium calculation may use annual premiums in calculating the death benefit for the average amount of insurance.~~

- Delete reference to the nonforfeiture interest rate and insert an interest rate:

2. CONTRACT PROVISIONS
A. DEATH BENEFIT

(7) The amount of reduced early duration death benefits for death from natural causes shall not be less than the amount of premiums paid to the time of death ~~at the rate used to determine nonforfeiture values under the certificate~~ plus ten percent interest.

PSC members discussed the suggested edits and agreed to expose the draft for comments during the public call on May 6. Compact Office staff will forward the summary memo and the draft to the ACLI and ask for comments.

Agenda item 5. Uniform Standard Development Prioritization Item to develop an Income Payment Benefit feature standard for Variable Annuities

The Compact Office shared a letter received from Prudential and Allianz which includes a proposed draft of a new uniform standard for Protected Income Solutions for Individual Deferred Index Linked Variable Annuity Contracts. A subgroup will be created to work on this and other items related to index linked variable annuity standards. PSC members requested an educational presentation regarding the value of these products. Andria Seip also requested that the ACLI advise how prevalent these products are in the market.

Agenda item 6. Any Other Matters

The next meeting will be a regulator-only call will be on April 15.

The public call will be on May 6.