

## **OUTLINE FOR CONSULTATION & ADVISORY SERVICES OFFICE**

### **BACKGROUND**

- In 2023, the Commission created the Adjunct Services Committee to recommend new and enhanced services and programs based on feedback from Compact Roundtables and strategic outreach.
- In 2024, the Committee developed the "Innovation Office Framework," a high-level outline for using the Compact's expertise to review products not currently within the scope of existing Uniform Standards.
- Feedback on the draft Framework was received during a public call and the October 2024 Compact Roundtable.
- The Legislative Committee expressed concerns about the need for more detail and dialogue to ensure the Commission did not exceed its statutory authority.
- As part of its second strategic plan adopted in December 2024, the Commission included a strategic action item to recommend a pilot process for implementing new services that will assist states in review and approval of products within Compact-authorized lines but outside the Uniform Standards.
- The Adjunct Services Committee has revised the title and narrative to clarify the consultative nature of the initiative and outline its benefits for member states, industry, and insurance consumers.

### **FRAMEWORK DESCRIPTION**

- The purpose of this framework is to have the Compact Office provide consultation services to states in their review of a product that is being submitted to multiple states.
- The framework only applies to products that are within the Compact's authority, that is, individual and group life insurance, annuities, long-term care insurance and disability income insurance.

- The original title “Innovation Office Framework” may give the perception that it would go beyond the subject matter within the expertise and experience of the Compact Office.
- This perception is not the intention of the process and a better title may be “Consultation and Advisory Services Office Framework”.
- The process is intended to provide states with the product and actuarial expertise available through the Compact Office, at no cost, especially when they do not have that expertise or capacity within the Department.
- The process is also intended to bring states together to engage in the presentation and review of a product that will be filed state-by-state, and not through the Compact, with the benefit of a uniform compliance analysis and a roadmap for companies of compliance issues, including state-specific concerns.
- The process will start when the Compact Office, after analysis of a pre-filing communication, determines a product or benefit feature is outside the scope of the existing Uniform Standards.
- A Compacting State can also request the Consultation and Advisory Services Office assist on a state product filing or pre-filing matter.

### **BENEFITS OF CONSULTATION AND ADVISORY SERVICES OFFICE**

- Help states by providing expertise at no cost from the Compact, which is an instrumentality of its Compacting States.
- Allow states to review and hear the same information from the company and the review team at the Consultation and Advisory Services Office.
- Allow states to engage in questions and responses among their peer in other states about the same product information.

- Facilitate the filing and review process when the product is filed state-by-state after the Consultation and Advisory Services Office process.
- Allow the company to understand the concerns at a multi-state level to provide the opportunity to address before filing state-by-state.
- Make the state review process more efficient, easier and quicker for companies and states.
- Higher likelihood of a more uniform product across states as company has opportunity to address state specific concerns before filing state-by-state.
- Enhances speed-to-market and wider availability of a uniform product that benefits consumers across states.
- Higher likelihood of development of a Uniform Standard when states agree to accept product or benefit feature that is outside current scope of Uniform Standards through this process.

### **FURTHER CONSIDERATIONS FOR A PILOT**

- Develop a timeline for the process not to exceed 45 days
- Identify candidates
  - Type of product (life, annuities, LTC or DI);
  - Filer eligibility (previous / frequent Compact filer)
  - Other factors?
- Finalize pre-filing questionnaire from 2024 Adjunct Services Committee work
- Outline key areas of Consultation and Advisory Services Office report
- Use Compact reviewer and actuary from Compact Office Product Operations Team

## WORKFLOW OF CONSULTATION AND ADVISORY SERVICES OFFICE

- Insurer submits pre-filing questionnaire to the Compact Office.
- The Compact Office works internally and with the filer to determine whether the product is within the scope of the current Uniform Standards.
- If yes, a Compact filing is submitted and the Compact Office reviews, and if compliant approves.
- If no, filer can use the services of the Consultation & Advisory Services Office.



- The Compact Office sends notice that a filer has a product in the Consultation & Advisory Services Office.
- The Compact Office distributes the pre-filing questionnaire and a summary of reasons the product is outside the scope of the existing Uniform Standards to those states where the filer wants to use the product. States respond to the Compact Office if they wish to participate.
- A state can also initiate the process by referring a filer or product filing to the Consultation & Advisory Services Office.



- The Consultation & Advisory Services Office hosts web-based conference call(s) for states.
- Company makes initial presentation of its product.
- The Consultation & Advisory Services Office facilitates gathering questions from states and information from the filer before and after the initial conference call.



- The Consultation & Advisory Services Office gathers feedback from states on areas of concern.
- The Consultation & Advisory Services Office performs a compliance review (including actuarial analysis if applicable) and prepares a report with state-specific considerations.
- The report is reviewed by the participating states and then delivered to the filer.



- Filer addresses concerns in the report before filing state-by-state.
- Filer files state-by-state under the applicable state's file and review process.
- States use report to streamline its review process.
- Aim is state-by-state filing process is more efficient, hopefully quicker to disposition, and the product is more uniform across the states.