



TRANSMITTAL MEMORANDUM

TO: Insurance Compact Commission

FROM: Adjunct Services Committee

DATE: August 12, 2025

RE: Consultation and Advisory Services Office Framework and Next Steps for a Pilot Program

The Adjunct Services Committee was formed in 2023 to consider ideas generated through the Compact Roundtables and other strategic discussions. In 2024, the Committee outlined an “Innovation Office” framework for leveraging the Compact platform and expertise to facilitate collaboration and advisory guidance in areas of product regulation not currently within the adopted Uniform Standards. This Framework was subject to public comment, and discussed by the Commission, Management Committee and Legislative Committee at the Denver in-person meetings in November 2024.

The Adjunct Services Committee has clarified the purpose of this framework and has retitled it as the Consultation and Advisory Services Office. This Office would be available on a voluntary basis to states and companies to benefit from the expertise and information sharing platform available through the Compact. This updated framework clarified the products would be the ones within the express authority of the Compact and that only the states would have the power to approve a product going through this consultation office.

The Consultation and Advisory Services Office Framework was discussed during the May Compact Roundtable, was presented to the Legislative Committee and was the subject of a July public call. The initial feedback has been positive and there is general agreement that the time has come to test the viability of this framework through a pilot program under the purview of the Committee starting on or after September 1, 2025.



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 peers 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.

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.

CONSULTATION AND ADVISORY SERVICES OFFICE

PILOT PROGRAM

State participation:

1. All Compacting States are eligible to participate in the pilot program.
2. It will be desired to have at least 30 Compacting States, if not more, participate in each product consultation where a company is seeking wide state approval.
3. During the pilot program, it will be considered how and whether this Consultation and Advisory Services Office can be available to non-Compacting States.

Company participation:

1. The company must be currently registered to file products with the Compact.
2. Company must have filed at least two product filings in the last two years with the Compact in the same product line as the product that is being considered for the pilot program. That is, if it is a new benefit feature for a whole life insurance product, the company must have made at least two life insurance product filings with the Compact in the past two years.

Product eligibility:

1. Within the last two years, a product or benefit feature which the Compact Office has declined to review because it is outside the existing Uniform Standard, whether communicated through a pre-filing communication or filing review.
2. A product or benefit feature that is covered by an item on the current or previous Compact Uniform Standards Development prioritization list.
3. A benefit feature that will be used or mixed and matched with Compact-approved products.