

Agenda item 2. Review draft amendment to Section 3.R.(4) of the Individual Immediate Non-Variable Annuity Contract Standards

Andria Seip said that ACLI has requested the Compact consider amending Section 3.R.(4) of the Individual Immediate Non-Variable Annuity Contract Standards so it is consistent with Section 3.T.(4) of the Individual Deferred Paid-Up Non-Variable Annuity Contract Standards. ACLI indicated that some companies currently use the purchase rates that are described in Section 3.T.(4)(b) of the Individual Deferred Paid-Up Non-Variable Annuity Contract Standards in their administrative systems and pricing models for Individual Immediate Non-Variable Annuities. For consistency purposes, the industry is requesting that the same option be provided under the Individual Immediate Non-Variable Annuity Contract. The Compact Office provided a draft with the suggested amendments. PSC members had no objections to the proposed amendment.

Agenda item 3. Plan for public call on March 31, 2026

Andria Seip asked the Compact Office to review the amendments to the Individual Deferred Paid-Up Non-Variable Annuity Contract Standards. This was an item on the 2025 USD Prioritization List. ACLI requested these standards be amended to add the participating/non-participating distinction to the actuarial certification. To be meaningful, the division of annuitants into participating and non-participating classes should apply to both the initial premium requirements in Section 1.B.(1)(g) and the additional premium requirements in Section 3.B.(1) (c) (i).

The PSC made edits to the proposed amendments in 2025. The Compact Office went over the changes. The draft removed references to “expected to pay dividends” and separated the revised sentence in parentheses into a separate sentence. PSC members reviewed the changes they had made and raised an additional question on whether the following sentence is needed in the Actuarial Certification:

Annuitants of participating annuity contracts shall be considered a separate class from annuitants of nonparticipating annuity contracts.

The PSC members discussed the sentence. The Compact Office said it could support deleting the sentence from the Appendix A actuarial certification as the requirement is already in the standard in Section 1.B.(1)(g). The Compact Office also pointed out that the Actuarial Certification in Appendix A is a sample format. One member thought the sentence could remain. The PSC decided to ask for comments on whether the sentence can be deleted from the Appendix A actuarial certification sample format during the public call.

Andria Seip said the two draft standards would be on the agenda for the public call.

Agenda item 4. Variable Annuity Subgroup and Actuarial Working Group update

Product Standards Committee (PSC)

Regulator-only

February 24, 2026

Andria Seip asked for a report on the Variable Annuity Subgroup and the Actuarial Working Group. The Compact Office is in the process of developing drafts for the subgroup to review. The Actuarial Working Group (AWG) will meet to start work on adjustable life bonus benefits and amendments to the ILVA standards. PSC members who are interested in the annuity subgroup can send an email to the Compact Office to be added to the subgroup or as an interested party for the AWG.

Agenda item 5. Meeting Schedule for 2026

Andria Seip asked members to review the meeting schedule through June. There were no comments.

Agenda Item 6. Any Other Matters.

There were no other matters. The next call will be a regulator-only call on March 17, 2026.