

Product Standards Committee
Public Call Summary
March 2, 2021

Agenda Item 2 Receive Comments on a Proposed Recommendation for Amendments Via Emergency Rule to the Core Standards for Variable and Non-Variable Annuities and Certain Additional Standards for Annuity Benefit Features to Address the Amendment to Section 4(B) of NAIC Standard Nonforfeiture Law for Individual Deferred Annuities (NAIC Model #805)

The Chair, Jason Lapham, stated that the purpose of the amendments is to change the definition of minimum nonforfeiture rate for purposes of the Uniform Standards to specify the minimum nonforfeiture rate must be consistent with the minimum nonforfeiture rate in state statute in the state where the policy is delivered or issued for delivery.

The Chair asked the Compact Office to provide a summary of the Briefing Sheet on the Emergency Rule. The Emergency rule was put in place to stay the immediate effectiveness of the amendment to Model 805.

The Chair said that the Commission will need to decide at its March 23rd meeting what to do with the emergency rule which currently stays the immediate effect of the Model 805 amendment.

There was one written comment submitted by the ACLI. The Chair asked the ACLI if it wanted to comment. ACLI asked for an edit to remove the reference to state statute as its members stated some states would make these changes by regulation. One state questioned if the change was needed. The Chair asked if there were any other comments on the draft amendments. There were no other comments. The Chair said the ACLI comments would be posted on the Events Calendar.

Agenda Item 3. Any Other Matters

The Chair said that the Product Standards Committee would consider the comments at its next meeting and would submit the draft amendments to the Commission for consideration at its March 23 meeting.