

Compact Chronicles

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION NEWSLETTER

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UPCOMING COMMISSION AND COMMITTEE MEETINGS

Wednesday, December 1
Governance Committee
Public Call
3:00 pm ET / 2:00 pm CT

Sunday, December 12
Joint Meeting of the
Management Committee
and Commission - San
Diego (or virtually)
3:00 - 5:00 pm PT

**Interstate Insurance Product
Regulation Commission**
444 North Capitol Street, NW
Hall of the States Suite 700
Washington DC 20001
(202) 471-3962
www.insurancecompact.org
Follow us on Twitter! 
[@InsCompact](https://twitter.com/InsCompact)

LETTER FROM KAREN SCHUTTER, EXECUTIVE DIRECTOR

Greetings from the Compact! I hope everyone had a wonderful Thanksgiving and indulged in way too much pie and football. The holiday season is in full swing, as we gather with family and friends to reflect on the many things we are grateful for. At the Compact Office, we are grateful for the support of our members and their staff in working with us to fulfill the important mission of our state-based organization.



Like Santa's elves, we are busy getting ready for an important December event, the Joint Meeting of the Management Committee and Commission on Sunday, December 12 at 3 pm PT. This meeting is held in conjunction with the NAIC Fall National Meeting in San Diego and serves as the Annual Meeting of the Commission. The Commission will meet in person with the ability to participate virtually.

In this issue, we provide an overview of the action items to prepare our members for this meeting. At this meeting, a final vote is expected on South Carolina's request regarding the Compact's approval authority of in-force individual long-term care insurance rate increases.

We are winding down our webinar series, with only a few more sessions upcoming in December. We love sharing what we do with both our members and filers alike, so I hope you find them helpful in understanding how the Compact works. Many of these webinars will soon be available on the Collaboration Space for our members.

It's been a couple of months since we launched our Collaboration Space, a regulator-only website where members can access meeting materials, ask questions, and more. We want your feedback, so we created a [Collab Space Survey](#) to get a sense of how the site is used the most. Please take a few minutes to complete so we can make this regulatory space as effective and informational as possible.

We look forward to seeing many of you in San Diego and hope you have a wonderful holiday season!

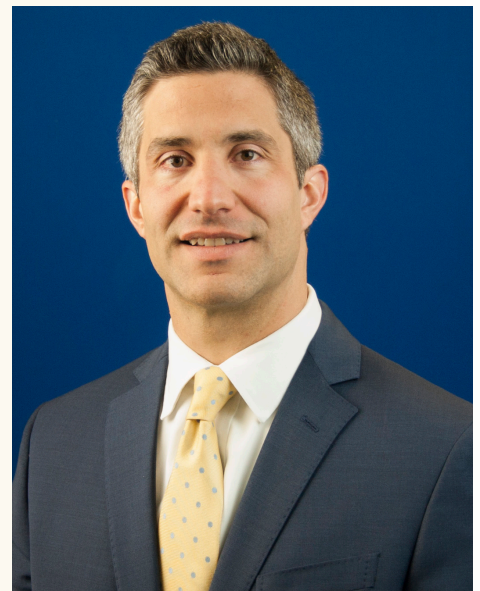


MEMBER CORNER

Andrew R. Stolfi was appointed Oregon Department of Consumer and Business Services director in April 2020. He is also the state's insurance commissioner. He began with the department in February 2018 as Division of Financial Regulation administrator and insurance commissioner.

Previously, Andrew spent six years in Switzerland at the International Association of Insurance Supervisors in a variety of roles, including chief operating officer and chief counsel. He held various senior management roles at the Illinois Department of Insurance, including acting director, chief of staff, and special counsel for policy and legislative affairs. He has a bachelor's degree from the University of Vermont and a law degree with honors from Chicago-Kent College of Law.

He and wife Lisa live in Salem, Oregon, with their two children and dog.



SAN DIEGO MEETING PREVIEW

LONG TERM CARE OPTIONS

Members have spent much of 2021 discussing how best to accommodate the request from South Carolina Director Farmer to adjust the existing 15% threshold authority for Compact approval of in-force individual long-term care insurance rate increases. During the October 19th joint meeting of the Management Committee and Commission, the members narrowed the options for final consideration, which are:

1. Keep the “status quo” and not make any amendments to the Rate Filing Standards for Individual Long-Term Care Insurance (the “Status Quo Option”), or
2. The option proposed by Washington Commissioner Mike Kreider (the “Kreidler Option”) directly to the Management Committee. The Kreidler option proposes to separate the requirements for the initial rate schedule and for rate schedule increases for in-force business into two Uniform Standards and permit a Compacting State to opt out of the in-force rate increase Uniform Standard while continuing to participate in other individual long-term care insurance (iLTC) Uniform Standards, including for the policy and initial rate schedule. The Management Committee and Commission will separately consider whether to include the language proposed by Louisiana Commissioner Donelon to affirmatively decline receipt of a Compact advisory finding.

To assist members in their preparation for a vote on the matter, the Compact Office has provided some FAQs about each of the options:

Does the scope of the Uniform Standards change with this option?

The scope would change under the Kreidler option, as the current standards do not allow part of a product to be filed with the Compact and another part of the product (in this case, any in-force rate increase request) to be filed with the state. The scope would not change under the Status Quo Option.

Could a state opt out?

States could choose to opt out of the newly created [Standards for Filing Revisions to In-Force Rate Filing Schedules for Individual Long-Term Care Insurance](#) under the Kreidler option. A state that opts out of this new in-force rate schedule increase standard would be responsible for reviewing all in-force rate increase requests on applicable Compact-approved products. States cannot opt out if the Status Quo Option is chosen.

Could a state choose to opt into certain LTC Uniform Standards but not others?

This is a possibility with the proposed amendments under the Kreidler option; compacting states could opt out of the newly created [Standards for Filing Revisions to In-Force Rate Filing Schedules for Individual Long-Term Care Insurance](#) without affecting participation in the other Uniform Standards for the individual long-term care insurance product and initial rate schedules. This flexibility is not available under the Status Quo Option.

Is there further action required of a state that would like the Compact to continue reviewing and approving rate increase requests up to the existing 15% threshold on its behalf?

No further action is required under either the Kreidler Option or the Status Quo Option.

Find more answers to frequently asked questions in the Compact Office’s [Updated Briefing Sheet](#).

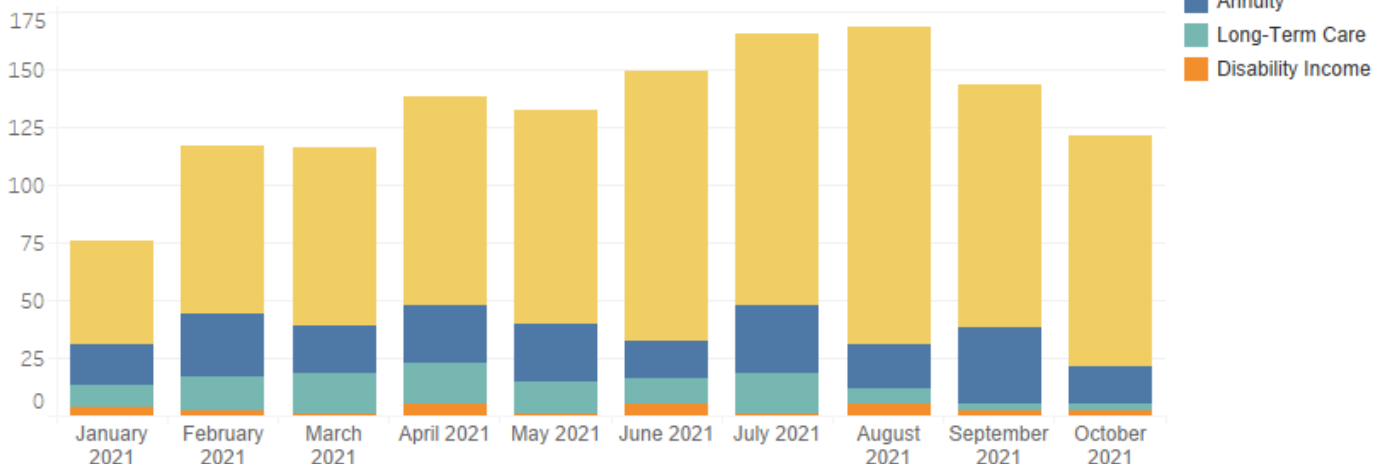
OTHER ACTION ITEMS

- **Consideration Of Adoption of the Proposed 2022 Annual Budget and Schedule of Fees:** Note there is no change to the Schedule of Fees proposed for 2022. The 2022 Annual Budget projects revenues to exceed expenses and budgets for a website redesign and additional governance work.
- **Consideration Of Adoption of the Proposed 2022 Uniform Standards Development Prioritization**
- **Report and Recommendation of the Governance Committee:** The action item is to receive the Governance Committee’s proposed amendments to the Commission’s Bylaws for notice and comment.
- **Consideration of Appointments to the Industry Advisory Committee (IAC) and Consumer Advisory Committee (CAC):** The action item is to consider the recommendation of the Compact Officers for appointments to four expiring seats on the IAC and to four open seats on the CAC
- **Formation of Insurance Compact Management Committee and Other Committee Assignments:** The action item is formation of the Management Committee based on Article III, Section 1 of the Commission Bylaws and the recommendation of the Compact Officers for appointments/assignments of Commission member committees.
- **Annual Election of the 2021/2022 Officers:** The action item is for the Commission to elect Chair, Vice Chair, and Treasurer for the upcoming annual period.
- **Consent Agenda**

COMPACT PRODUCT FILING STATISTICS

AS OF OCTOBER 31, 2021

Submissions by Month



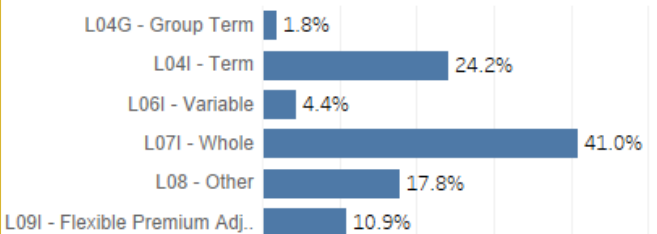
Approval Time (avg)*	26
Companies Registered	282
Forms Submitted	2,129
Products Received**	1,438
SERFF Transactions***	46,585
States/Filing (median)	44
Submissions Received	1,326

* The time for product approval is calculated utilizing business days and excludes the company response time to objection letters, as defined in §105 of the "Product Filing Rule".

** "Products Received" is defined as the number of policies/contracts submitted in a filing. When a filing does not contain a full policy/contract, the products received count is 1.

*** "Transactions" refers to the total number of SERFF transactions that have been made through the Insurance Compact.

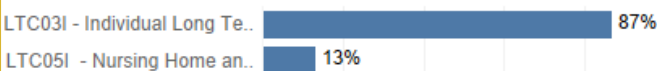
Life Submissions by TOI



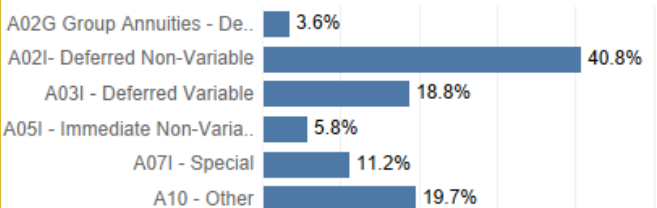
Disability Income Submissions by TOI



Long-Term Care Submissions by TOI



Annuity Submissions by TOI



Submissions by Filing Type



COMPACT SPOTLIGHT



MEET NAOMI KLOPPERSMITH!

In this issue, we spotlight our own Compact Office staff actuary, Naomi Kloppersmith! Naomi joined the Compact Office in July 2019, coming from consulting and life reinsurance. In her day-to-day, she reviews the actuarial components of life and annuity product filings to ensure compliance with the Compact's Uniform Standards. Naomi's been a Fellow of the Society of Actuaries since 2011 and a member of the American Academy of Actuaries since 2008.

Outside of the office, Naomi spends time with her sweetie pie Ben and their two cats Agadore and Vader. She loves to knit, play pickleball, and geek out to anime, although she usually doesn't do all three at the same time.