Summary of Ad Hoc Committee Call with Industry

Thursday, February 2, 2023

Commissioner Birrane explained that an Ad Hoc Committee comprised of a cross-section of Compact members has been established to get feedback from industry, consumer representatives and state legislators on what additional services could the Compact provide to its member states.

Commissioner Birrane provided an example where a feature of a product does not fit within the current Uniform Standards. Is there a role for the Compact Office to play in assisting in the review for Compacting States in an advisory or adjunct capacity?

An industry trade association representative indicated the Uniform Standards should keep state law exceptions to a minimum.

A company representative suggested a sandbox or process where products that did not cleanly fit within the Uniform Standards could follow a process where the Compact took the lead on performing the review and states could elect to accept or approve that part of the product not within the scope of the Uniform Standard based on the Compact’s review. An advisory review accepted by Compacting States would be a way to expedite the state-by-state review process.

The company representative indicated this process could be a solution to minimizing or eliminating mix and match of Compact forms and state forms if there is the ability to have the Compact play an advisory review role for features that do not fit within the current Uniform Standards. It would also signal that a Uniform Standard should be developed if most states accept the Compact’s advisory review.

Another company representative indicated the Uniform Standards are in many ways the gold standard for product content requirements. By leveraging these standards and the expertise at the Compact Office, it would enhance speed-to-market and promote consistency.

There was discussion of whether this would be a two-part process such that the companies would have to go back to the states for final approval. Many agreed all options were on the table and that utilizing the Compact’s review platform could accelerate approval across the Compacting States even when the product is outside the scope of the Uniform Standards. For instance, a common checklist could be compiled and states could rely on the Compact to perform the review and expedite approval. Someone suggested a separate queue in SERFF for products pre-reviewed by the Compact. Another suggested that departments could use the Compact Office to perform reviews given limited state resources.

An industry trade representative indicated that uniformity in the product content is paramount for companies doing business across the nation and that this advisory process should lead to being more nimble in developing and updating Uniform Standards. A company representative expressed concern over recent actions at the Compact that may lead to deferring to conflicting
state law and reverting back to state-by-state standards. The concept of advisory services could serve as a buffer while the industry and applicable state(s) work out the conflict.

A company representative stated that Uniform Standards, by their nature, will not be ahead of the curve so having an advisory or adjunct service for products that do not fit the Uniform Standards would provide a one-stop platform. The Compact could be a conduit to the states especially with the new functionality in SERFF modernization.

An Ad Hoc Committee member pointed out the advisory service could be a glide path to uniformity whereby working with state checklists could help the members get to consensus earlier and faster to enable a Uniform Standard.

An Ad Hoc Committee member said the advisory pathway could be a pointer to the need for a Uniform Standard and that advisory or adjunct services are not intended to supplant Uniform Standards for the Compact’s approval platform which has been very successful in achieving uniformity and efficiency for all.

Several members of the Ad Hoc Committee indicated their interest in pursuing this matter further and perhaps recommending a task force be created.

Commissioner Birrane asked industry to provide use cases for this concept of advisory / adjunct services and for states to think about getting things done more efficiently. She encouraged industry collectively through trades, and individually, to provide examples that would benefit from advisory services especially how this concept might come alongside states where standards do not exist to get to market more efficiently.