

Product Standards Committee (PSC)
Call Summary
May 2, 2023

Agenda Item 2: Review Comments from the public call on the Uniform Standards for Group Whole Life Insurance for Employers and the Single Premium Group Fixed Annuity Contract Uniform Standards for Employer Groups

Karen Givens, Assistant Director for Product Operations, summarized the comments from ACLI regarding the amendments to the group annuity uniform standard. PSC members discussed the request to amend the scope and determined it was not needed. The PSC members agreed to the edits to the definition of pension risk transfer and the edits to Section 2A (6) and 2 B (8).

The PSC discussed the comment letter from Massachusetts Mutual regarding the Uniform Standards for Group Whole Life Insurance for Employers. The members did not think the suggestions to amend the definitions of cash surrender value and cash value were needed as the amendments would be more restrictive. The question about the use of the term “smoking status” is addressed in the Uniform Standards for Group Whole Life Insurance Enrollment Forms and Statement of Insurability Forms in 5 C. (1)(a), so no change is needed. The PSC will continue reviewing the comments on the next call.

Agenda Item 3. Status Report on the Index-Linked Variable Annuity (ILVA) Uniform Standard draft

The subgroup has not met since the last PSC call. There is a public call on May 8 to receive comments on the draft standard.

Agenda Item 4. Draft Filing Information Notice on the Proportion of Accidental Death Benefit in Relation to All Cause Death Benefit for Life Insurance Forms Submitted to the Interstate Insurance Product Regulation Commission (Commission)

Karen Schutter summarized the filing information notice and asked the PSC members how states handled accidental death benefits in a life insurance policy. She explained that the Compact has required that accidental death benefits be no than more three times the all-cause death benefit. Jason Lapham asked if this has been discussed in the past. Karen said that it had come up and the Office had reached out to several states for feedback several years ago. PSC members discussed examples that had been filed with states and how they were handled. PSC members asked for more information about products in the marketplace. They also asked if the notice applied to Accidental Death only or Accidental Death and Dismemberment. Some states considered the

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products as health insurance and applied loss ratios to this type of product. The general consensus was the three times requirement was reasonable and agreed the Uniform Standard should be amended to address this requirement.

Agenda Item 5. Any Other Matters

Sarah Neil provided information on the Spring Webinar series. Members can sign up for the session on the Compact website.

Agenda Item 6. Any Other Matters

Jason Lapham said the next meeting of the PSC is scheduled for May 16. He said some members have a conflict. The Compact Office will follow up to determine the next date. There were no other matters.