



**JOINT MEETING OF THE MANAGEMENT COMMITTEE AND THE  
INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION**

**Wednesday, July 24, 2024  
3:30 pm ET / 2:30 pm CT / 1:30 pm MT / 12:30 pm PT**

**AGENDA**

1. **Roll Call**
2. **Uniform Standards in Rulemaking Process:** Consideration of the Report of the Chair on Publication for Notice and Comment of the Product Standards Committee Recommendation to amend Uniform Standards for Group Term Life and Group Whole Life Product Lines.

**EXPLANATION:** On June 3rd, at the direction of Commissioner Birrane as Chair of the Insurance Commission pursuant to Article IV, Section 2(a) of the Bylaws, the Product Standards Committee recommendation for certain Uniform Standards was issued for publication and comment. The specific Uniform Standards are provided below. The Management Committee will consider a motion to ratify this action. Written comments are due on August 5<sup>th</sup> and the Management Committee will conduct a public hearing at the in-person meeting on August 15<sup>th</sup>.

**GROUP TERM LIFE PRODUCT LINE**

- Group Term Life Insurance Policy and Certificate Standards
- Uniform Standards for Group Term Life Insurance Enrollment Forms and Statement of Insurability Forms
- Uniform Standards for Group Term Life Insurance Statement of Insurability Change Form
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Term Insurance Certificate Changes
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Term Life Insurance Policy Changes
- Group Term Life Insurance Uniform Standards for Accelerated Death Benefits
- Group Term Life Insurance Uniform Standards for Accidental Death Benefits
- Group Term Life Insurance Uniform Standards for Accidental Death and Dismemberment Benefits
- Group Term Life Insurance Uniform Standards for Waiver of Premium While the Certificateholder is Totally Disabled

**GROUP WHOLE LIFE PRODUCT LINE**

- Group Whole Life Insurance Policy and Certificate Standards
- Uniform Standards for Group Whole Life Insurance Enrollment Forms and Statement of Insurability Forms
- Uniform Standards for Group Whole Life Insurance Statement of Insurability Change Form
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Whole Insurance Certificate Changes

- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Whole Life Insurance Policy Changes
- Group Whole Life Insurance Uniform Standards for Accelerated Death Benefits
- Group Whole Life Insurance Uniform Standards for Accidental Death Benefits
- Group Whole Life Insurance Uniform Standards for Accidental Death and Dismemberment Benefits
- Additional Standards for Waiver of Premium Benefits for Total Disability and Other Qualifying Events for Whole Life Insurance Policies and Certificates
- Additional Standards for Graded Death Benefits for Whole Life Insurance Policies and Certificate

3. **Public Hearing on Certain Uniform Standards:** Conduct a public hearing for the amendments to the *Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities* to expand their scope for use with the *Standards for Individual Deferred Index Linked Variable Annuity Contracts (Commonly Marketed as Registered Index Linked Annuities)*.

**EXPLANATION:** On April 25<sup>th</sup>, the Product Standards Committee presented a recommendation for amendments to the *Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities*. The proposed amendments expand the scope for use with the Standards for Individual Deferred Index Linked Variable Annuity Contracts (Commonly Marketed as Registered Index Linked Annuities). Written comments were due on July 1<sup>st</sup>. These amendments are expected to be considered for adoption at the in-person meeting on August 15<sup>th</sup>.

4. **Report and Recommendation of The Product Standards Committee and Management Committee Consideration to Adopt the Report and Commence Rulemaking on the PSC Recommendation to Approve the Report and Recommendation:** The Product Standards Committee expects to bring forth a recommendation to amend one or more Uniform Standards.

5. **Commission Consideration Of Request By Oregon of Its Request to Stay the Effectiveness for Oregon of Uniform Standards Adopted by the Commission on April 25<sup>th</sup> Of Certain Individual Annuity Standards:** Consider granting a stay of the effectiveness of the following Uniform Standards which become effective on August 12<sup>th</sup> -- *Individual Deferred Index Linked Variable Annuity Contract Uniform Standards and Additional Standards for Market Value Adjustment Feature for Modified Guaranteed Annuities and Index Linked Variable Annuities* -- while Oregon pursues its right to opt out by regulation.

**EXPLANATION:** The Oregon Division of Financial Regulation provided notice to the Insurance Compact of its election to opt out by regulation of the *Individual Deferred Index Linked Variable Annuity Contract Uniform Standards* and the amendments to *Additional Standards for Market Value Adjustment Feature Provided Through a Separate Account* adopted by the Insurance Compact on April 25, 2024. In its request, the Oregon Division of Financial Regulation petitioned the Commission to stay the effectiveness of these the aforementioned Uniform Standards for Oregon. The Commission will consider this request.

6. **Consent Agenda:** Joint Action Item by the Management Committee and Commission to Adopt the Reports of the Committees, and the Meeting Minutes from the April 25, 2024, Joint Meeting of the Management Committee.

**EXPLANATION:** The action item is to consider adoption by consent the written reports of the Committees; and the Minutes of the April 25, 2024, Joint Meeting.

7. **Executive Director's Operational Report**

**EXPLANATION:** The Executive Director will provide an update on the financial and operational activities of the organization. Additionally, an update on the amendments to the Individual Annuity Standards regarding the index-linked variable annuity products will be provided.

8. **Any Other Matter**

9. **Adjourn**

**Members of the Commission and Department Staff in Attendance:**

Director Eric Dunning, Chair, Nebraska

Commissioner Allan McVey, Vice Chair, West Virginia

Director Elizabeth Kelleher Dwyer, Past President, Rhode Island

Commissioner Mark Fowler, Alabama

Yada Horrace, Alabama

Cabinet Officer Barbara Richardson, Arizona

Sarah Bailey as a designated representative for Director Lori Wing-Heier, Alaska

Jimmy Harris as a designated representative for Commissioner Alan McClain, Arkansas

Paul Lombardo as a designated representative for Commissioner Andrew Mais, Connecticut

Howard Liebers as a designated representative for Commissioner Karima Woods, District of Columbia

Steve Manders as a designated representative for Commissioner John King, Georgia

Lisa Zarko, Hawaii

Ray Nagasawa, Hawaii

Shannon Hohl as a designated representative for Director Dean Cameron, Idaho

Jeff Varga as a designated representative for Acting Director Ann Gillespie, Illinois

Victoria Hastings as a designated representative for Commissioner Amy Beard, Indiana

Andria Seip as a designated representative for Commissioner Doug Ommen, Iowa

Julie Holmes as a designated representative for Commissioner Vicki Schmidt, Kansas

Commissioner Sharon Clark, Kentucky

Tim Schott as a designated representative for Superintendent Bob Carey, Maine

Nour Benchaaboun as a designed representative for Acting Commissioner Joy Hatchette, Maryland

Sheri Cullen as a designated representative for Acting Commissioner Kevin P. Beagan, Massachusetts

Tammy Lohmann as a designated representative for Commissioner Grace Arnold, Minnesota

Jo LeDuc as a designated representative for Director Chlora Lindley-Myers, Missouri

Adam Clayton, Nebraska

Victoria Fowler as a designated representative for Commissioner D.J. Bettencourt, New Hampshire

Michael Fahncke as a designated representative for Acting Commissioner Justin Zimmerman, New Jersey

Ted Hamby as a designated representative for Commissioner Mike Causey, North Carolina

Chrystal Bartuska as a designated representative for Commissioner Jon Godfread, North Dakota

Dan Bradford as a designated representative for Director Judith French, Ohio

Kurt Cagle, Oklahoma

Lien Skaggs, Oklahoma

Brian Fjeldheim as a designated representative for Commissioner Andrew Stolfi, Oregon

Alex Cheng, Oregon

Shannen Logue as a designated representative for Commissioner Michael Humphreys, Pennsylvania

Jeff Smith, as a designated representative for Director Larry Deiter, South Dakota

Roderick Brooks, Tennessee

Latif Almanzan, Texas

Amelia Berry, Texas

Mary Block as a designated representative for Commissioner Kevin Gaffney, Vermont

Mary Ashby Brown as a designated representative for Commissioner Scott A. White, Virginia

Ned Gaines as a designated representative for Commissioner Mike Kreidler, Washington

Commissioner Nathan Houdek, Wisconsin

Rebecca Rebholz, Wisconsin

Commissioner Jeff Rude, Wyoming

JoAnne DeBella, Wyoming

**Legislative Committee:**

Representative James Dunnigan, Utah

**Industry Advisory Committee:**

Wayne Mehlman, ACLI

Amanda Herrington, AHIP

Sarah Wood, IRI

**Insurance Compact Staff in Attendance:**

Karen Schutter, Executive Director

Karen Givens, Assistant Director of Product Review Operations

Sara Dubsy, Assistant Director of Administrative Operations

Naomi Kloepersmith, Actuary Reviewer III

Sue Ezalarab, Consultant

Director Dunning called to order the interim meeting of the Joint Management Committee and Commission. Ms. Schutter took the roll call of the Management Committee, the members of the Commission, Legislative Committee, and Industry and Consumer Advisory Committees.

Director Dunning welcomed South Dakota Director Larry Deiter to their first meeting as an official member of the Compact. Director Dunning stated that the purpose of the call is to address a few items before the in-person meeting in August. Before moving to the first agenda item, Director Dunning stated that former Maryland Commissioner Kathleen Birrane, who stepped down effective July 1<sup>st</sup>, was awarded the inaugural Compact Champion award for her hard work, distinguished service, stewardship as a member and longstanding chair of the Compact. Director Dunning stated that West Virginia Commissioner Allan McVey has been appointed to serve as Vice Chair. The new appointment of Commissioner McVey left a vacancy for the treasurer position and Director Dunning announced that he has appointed Arizona Cabinet Officer Barbara Richardson as the Compact Treasurer. Cabinet Officer Richardson also serves on the Management Committee and meets this requirement for Compact Officers. Director Dunning also stated that the Compact issued a notice of amendment to the Bylaws' provisions regarding the Past Chair position.

Director Dunning moved to the second item on the agenda. Commissioner Dunning stated the purpose of the agenda item is to begin the rulemaking process on the non-employer group amendments to the Group Term Life and Group Whole Life Uniform Standards. The Compact Bylaws allow certain actions to be taken by the Officers between interim meetings. Commissioner Birrane approved the receipt of the recommendation from the Product Standards Committee which allowed the Compact to initiate the formal rulemaking process. The Compact issued public notice to commence the 60-day comment period for amendments to all of the Uniform Standards in the Group Term Life and Group Whole Life product lines on June 3<sup>rd</sup>. The amendments expand the scope of the Uniform Standards to permit groups other than employer groups. There is a transmittal memo from the Product Standards Committee which explains in detail the nature and process for drafting those amendments. The framework the Compact adopted in 2022 allows the approval of group products for non-employer groups permitted by Compact states' laws. A key step in the framework was to amend the group Uniform Standards

which had been limited to employer groups. There will be a public hearing on those amendments during the August 15<sup>th</sup> in-person meeting in Chicago. Director Dunning asked for a motion from a member of the Management Committee to ratify the Chair's action to initiate the rulemaking process for the non-employer group amendments Group Term Life and Whole Life Uniform Standards. The motion was made by Commissioner McVey and seconded by Cabinet Officer Richardson. Director Dunning asked if there were any objections. Hearing none, the motion carried.

Director Dunning moved to the third item on the agenda, Public Hearing on Certain Uniform Standards. Director Dunning asked Ms. Schutter to provide an overview of the rulemaking process for the Uniform Standards before he opened the floor for comments. Ms. Schutter stated that the *Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuity* were the last standards, with respect to the amendments for index linked variable annuities, to be recommended by the Product Standards Committee in April. The standard was noticed on May 1<sup>st</sup> and written comments were due July 1<sup>st</sup>. One comment letter from ACLI and the Committee of Annuity Insurers (CAI) was received during the written comment period. This is the opportunity for a public hearing to receive oral comments before considering the amendments for final adoption. Director Dunning opened the floor for any comments and asked if there were any comments from members of the Legislative and Consumer Advisory Committee. Seeing none, Director Dunning asked if a representative of either the ACLI or the Committee of Annuity Insurers (CAI) wanted to comment further. Mr. Mehlman noted the ACLI strongly supports the pending Standard and understands the design requested by industry for the protected income solution may not fit within the current standards. The ACLI and CAI request the Commission work on a new standard for this benefit as soon as feasible. Director Dunning thanked Mr. Mehlman for his comments and asked if there were any additional comments from members of the Industry Advisory Committee. Hearing none, Director Dunning closed the public hearing.

Director Dunning moved to the fourth item on the agenda, Report and Recommendation of the Product Standards Committee and Management Committee Consideration to Adopt the Report and Commence Rulemaking on the Product Standards Committee Recommendation to Approve the Report and Recommendation. Director Dunning then called upon the Product Standards Committee Chair Andria Seip to provide this report. Ms. Seip noted the Product Standards Committee recommends the initiation of the rulemaking procedure for these new amendments to the Uniform Standards by the Management Committee. The draft was developed to address more groups other than employer/employee groups. During the public call on July 9<sup>th</sup> no written or oral comments were received. Director Dunning asked if there were any procedural questions. Seeing none, Director Dunning asked for a motion from a member of the Management Committee to receive the recommendation of the Product Standards Committee to publish for notice and comment. The motion was made by Mr. Benchaaboun and seconded by Ms. Logue. Director Dunning then moved to a voice vote on the agenda item. Hearing no objections or abstentions, the motion carried.

Director Dunning moved to the fifth item on the agenda, Commission Consideration of the Request by Oregon to Stay the Effectiveness for Oregon of Uniform Standards Adopted by the Commission on April 25<sup>th</sup>. Director Dunning stated that Oregon's opt out notice was in regard to the two new uniform standards, *Standards for Individual Deferred Index Linked Variable Annuities*, and the amended *Additional Standard for Market Value Adjustment Features for Modified Guaranteed Annuities and Index Linked Variable Annuities*. Oregon is requesting a six month stay for the August 12<sup>th</sup> effective date of these two Uniform Standards. Director Dunning

asked Ms. Schutter to give a brief synopsis of the opt-out procedures. Ms. Schutter explained that a Compact statute provides each state the right to opt out of a Uniform Standard either by legislation or regulation. A written notice of intent must be received by the Commission ten days after the standard is published or promulgated. A written request to opt out of the Uniform Standards was received from Oregon. This stay request would only be effective for Oregon in regard to the two Uniform Standards. Director Dunning offered Oregon the opportunity to add any additional comments. Mr. Cheng stated that Oregon still has concerns about the Uniform Standard and specifically the nonforfeiture requirements under current Oregon law. Mr. Cheng noted the Oregon Insurance Division would like to request a six-month stay to complete that process. Director Dunning stated that this is a Commission action item and asked for a motion from a Commission member. The motion was made by Commissioner McVey and seconded by Mr. Lombardo. Director Dunning then moved to a voice vote on the agenda item. Hearing no objections or abstentions, the motion carried.

Director Dunning moved to the sixth agenda item, adoption of the Consent Agenda. Director Dunning explained this agenda item includes the minutes from the last meeting on April 25<sup>th</sup> and the Report of the Finance Committee. These materials were distributed to the members in advance of today's meeting. Director Dunning stated that this was a joint action and asked for a first and second motion from a member of the Management Committee to adopt the Consent Agenda items. The motion was made by Commissioner McVey and seconded by Ms. Logue. Director Dunning then moved to a voice vote on the agenda item. Hearing no objections or abstentions, the motion carried.

Director Dunning moved to the seventh agenda item Executive Director's Operational Report. Ms. Schutter reported that the Index Linked Variable Annuity Standard that was adopted in April is effective on August 12<sup>th</sup>. The agenda item pertaining to the adoption of the amendments to certain annuity uniform standards was removed for this meeting. The Compact Office discovered a scrivener's error was made with regard to four of the seven uniform standards. On July 17<sup>th</sup>, a notice was issued for the corrected versions for four of the uniform standards. The scrivener's error is due to older versions being used as a base for the ILVA amendments and they did not include the 2021 amendments to the four standards. There will be a final comment period on those four standards. Ms. Schutter also said that on July 16<sup>th</sup>, companies were able to add South Dakota to approved, pending, or new filings for life and annuity products. The next Compact Roundtable will be on October 30<sup>th</sup> in Omaha, Nebraska which is the day after InsurTech on the Silicon Prairie. The Compact is offering funding for regulators who want to attend the Compact Roundtable. Ms. Schutter also announced the NAIC Insurance Summit is the week of September 16<sup>th</sup> in Kansas City. SERFF and the Compact are working together to hold a one-and-a-half-day session to preview the new SERFF. The Compact will show how we intend to use all of the new tools in SERFF to review filings. Director Dunning asked if there were any questions for Ms. Schutter and there were none.

Director Dunning proceeded to the last item on the agenda, Any Other Matters. Director Dunning asked were there any other items that needed to be brought forth to the Commission before adjournment.

Hearing no other matters to be brought forward, Director Dunning asked if there was a motion to adjourn. The motion was made by Mr. Schott and seconded by Mr. Benchaaboun. Motion carried. Director Dunning adjourned the meeting.