

Welcome to today's webinar!

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- If you have joined by phone only, to mute and unmute your line, press *6
- On the WebEx screen, mute and unmute your line using the microphone icon
- All attendees may use the chat feature within WebEx for question, comments, or assistance from moderators.
- We encourage all participants to take a few minutes to complete our survey. Help us improve future webinars!



Spring Webinar Series 2025

Compact 101

Presented by: Sarah Neil

April 2, 2025

Compact Team

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What is the Insurance Compact?

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- Innovative vehicle formalizing joint and cooperative action among states
- Bringing together regulatory expertise to establish Uniform Standards
- Central clearinghouse for prompt review of asset-based insurance products

What is the Insurance Compact?

- Statute enacted by states
- Covers individual and group annuities, life, long-term care and disability income insurance products
- Agreement that Uniform Standards apply to Compact products and can be issued in Compacting State unless state opts out of Uniform Standard(s)

What is the Insurance Compact Commission?

- Governing body of the Insurance Compact
- One member from each Compacting State
- Commissioner/Director/Superintendent and /or their designated representative(s)
- Today, 48 Compacting States – 46 states, District of Columbia and Puerto Rico

Why the Insurance Compact?

- Removal of barriers to competition between banking, insurance and securities products – increased competition for retirement dollars
- Need for meaningful uniformity and efficiencies in the state-by-state product approval process for insurance products
- Very real threat of federal preemption from 1995 – 2010

Why the Insurance Compact?

- These are mobile-borne products conducive to uniform product regulation
- Non-local nature of the risks
 - mortality and morbidity
- States could not voluntarily agree to Uniform Standards
 - they needed a legal mechanism
- Interstate compacts are a state-based tool

How does it work?

- Commission is 48 members & meets 5 to 7 times per year including in-person at NAIC meetings
- Management Committee is 14-member body that conducts the rulemaking process – mix of large, medium, and small states
- Officers – Chair, Vice Chair, Treasurer, & Past Chair
- Compact Office – Executive Director and team including reviewers and actuaries

How does it work?

- Other Committees – comprised of regulators in Compacting States
 - Product Standards Committee (PSC)
 - Actuarial Working Group (AWG)
 - Rulemaking Committee
 - Governance Committee (GC)
 - Finance Committee
 - Audit Committee
 - Adjunct Services Committee

How does it work?

- Legislative Committee – 8 state legislators in Compacting States from NCSL and NCOIL
- Consumer Advisory Committee – 8 consumer representatives (Cancer Action Network, American Kidney Fund, former regulators)
- Industry Advisory Committee – 8 industry and company representatives (ACLI, AHIP, New York Life, Brighthouse, etc.)



Questions?

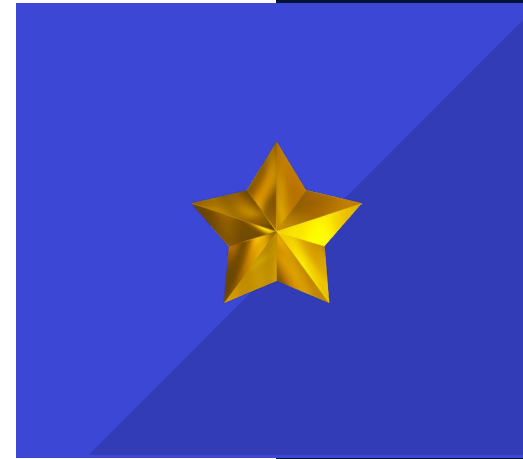
What Are Uniform Standards?

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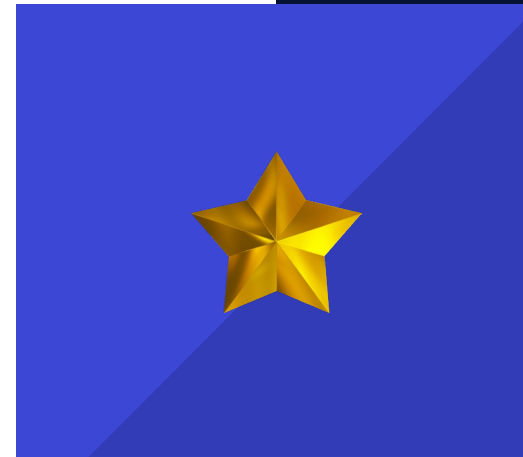
- Form and actuarial requirements for products submitted for review and approval
- More comprehensive and detailed than state requirements
- Apply in lieu of state requirements for Compact-approved products
- States may opt out of one or more Uniform Standards

Overview of the Insurance Compact

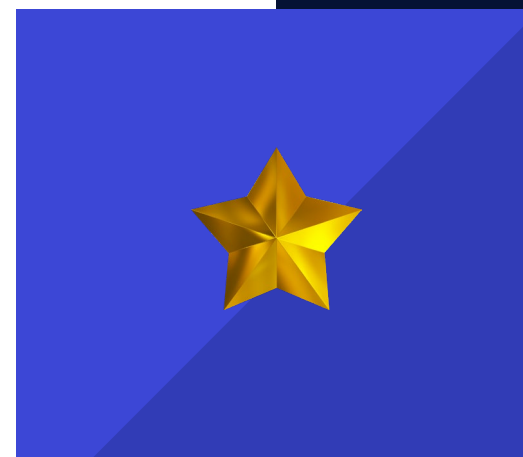
How Many States in One Approval?



48 - Life and Annuity*



44 - Disability Income



39 - Long-Term Care

What Are Uniform Standards?

- To achieve Uniformity, Uniform Standards will not match every states' requirements
- Uniform Standards promote stringent requirements and strong consumer requirements
- Provision may conflict with state law especially if state has outlier requirement
- Uniform Standards strike balance as both Compacting States and companies must participate to make it work



Notices for Developing Uniform Standards

- Committee Call Notices
 - Public and Regulator-Only
- Meeting of the Management Committee
 - Recommendation from the Committee
 - Transmittal Memo, Briefing Sheet, etc.
- Information posted on the Docket
 - 60-day public comment period
 - Notice to state legislatures during public comment period

Adoption of Uniform Standards

- Action item for vote at joint meeting of Management Committee & Commission
 - 2/3rds super majority of both the Management Committee and the Commission required for action on Uniform Standards
- Promulgation Notice to states
 - 90-day seasoning period
 - Provides state's due date for opt out
 - Provides effective date of the Uniform Standards

Where are the Uniform Standards?

- www.insurancecompact.org
- Docket of Developing Uniform Standards – where to find Uniform Standards under development
- Record of Adopted Standards
 - 116+ Adopted Uniform Standards for all product lines
 - Includes rulemaking history & checklists

Uniform Standards - Docket

- Items under Rulemaking have been formally recommended to the Management Committee
- Rulemaking Citation indicates whether item is new or amended
- Find relevant rulemaking deadlines, comments received, initial committee recommendation, etc.



Understanding Docket Developing Standards

Type of Document ?

- Any -

Type of Rulemaking ?

- Any -

Keywords ?

Status ?

- Any -

Apply

Rulemaking

Additional Standards for Guaranteed Minimum Death Benefits for Individual Deferred Variable Annuities
Effective Date: 3/20/2024

Comments Due: 5/20/2024

[View Details](#)

Rulemaking

Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts
Effective Date: 3/20/2024

Comments Due: 5/20/2024

[View Details](#)

Rulemaking

Additional Standards for Index-Linked Crediting feature for Deferred Non-Variable Annuities and the General Account Portion of Individual Deferred Variable Annuity Contract
Effective Date: 3/20/2024

Comments Due: 5/20/2024

[View Details](#)

RECORD ADOPTED STANDARDS

Uniform Standards - Record

Grid View
 List View

[? Understanding Record Adopted Standards](#)

FILTERS

Record Type ?

- Uniform Standards - Individual
- Uniform Standards - Group
- Operating Procedures
- Compact Bylaws

Product Type ?

- Disability Income
- Endowment Life
- Long-Term Care
- Non-Variable Annuities
- Non-Variable Life
- Term Life
- Variable Annuities
- Variable Life
- Whole Life

Filing Type ?

- Application
- Benefit Feature / Rider
- Policy / Contract
- Rates

Keywords ?

Citation # ?

Items Per Page

Apply

RESULTS

UNIFORM STANDARDS - INDIVIDUAL

Individual Modified Single Premium Variable Life Insurance Policy Standards

Citation #: IIPRC-L-06-I-1
Effective Date: 04/3/2023

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Individual Flexible Premium Adjustable Life Insurance Policy Standards

Citation #: IIPRC-L-09-I
Effective Date: 04/3/2023

[View Details](#)

Individual Joint Last to Die Survivorship Flexible Premium Adjustable Life Insurance Policy Standards

Citation #: IIPRC-L-09-I-2
Effective Date: 04/3/2023

[View Details](#)



Questions?

Insurance Compact Filing Overview

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- One submission under one set of standards for one review and one approval valid in all Compact jurisdictions
- Compacts are legal frameworks for cooperative solutions to issues that transcend state borders
- By enacting the Compact, Compacting States agree Uniform Standards apply over conflicting state laws

Product Lines Available

Individual Life Insurance

Group Term Life Insurance

NEW Group Whole Life

Individual Annuities

Group Annuities (Employer/Employee)

Individual Disability Income

Key Person/Buy-Sell/Business Overhead Insurance

Group Disability Income Insurance

Individual Long-Term Care Insurance

How does the review work?

- Compact review team performs review
 - Staff of 18 – 6 form reviewers, 3 actuaries
- Included states have access to SERFF filing from moment of submission
 - If not included, can view in SERFF Filing Access
- Compact issues disposition (other than LTC advisory reviews)
- State maintains oversight of marketing, claims, complaints, other market and solvency oversight



Questions?

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