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Spring Webinar Series 2025

# Non-Employer Groups

Presented by: Karen Schutter

April 9, 2025

# Product Lines Available for Non-Employers Groups

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Group Term Life Insurance  
Group Whole Life Insurance  
Group Disability Income Insurance

Group Annuities\* (Employer/Employee)

\* The Product Standards Committee is currently working on expanding Group Annuity Uniform Standards to include Non-Employer Groups.

# Compact Review Team

- Group Life
  - Edward Charbonnier, Senior Product Reviewer and Manager
  - Aimee Lawson, Product Filing Specialist
- Group Disability
  - Edward Charbonnier, Senior Product Reviewer and Manager
- Group Annuities
  - Karen Givens, Assistant Director of Product Review Operations

# What is the Non-Employer Group Framework?

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- *Operating Procedure for the Use of Compact-Approved Products For Other than Employer Groups*
- Compact approves the group product
- Upon approval can issue to employer groups
- Before issue to non-employer group, must satisfy applicable state law and filing requirements, if any, for eligibility and approval of specific non-employer group

# What is the Non-Employer Group Framework?

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- Compact Office reviews and approves group insurance products for compliance with Uniform Standards.
- Compacting State applies its applicable filing requirements, if any, to authorize specific non-employer groups.
- Insurer follows the group authority requirements of all states included in a Compact filing, inclusive of state requirements at the group type level and the specific group level

# What is a Non-Employer Group?

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- Any group other than an Employer Group
- Employer Groups: Defined as an employer or trustees of a fund established by an employer, insuring employees and their dependents
- Both employer and non-employer group definitions follow state law

# What is a Non-Employer Group?

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- Group type eligibility and qualification that is permitted under the laws of the state where issued.
- Group not be formed solely for the purpose of providing or obtaining insurance.
- Group has a substantive commonality of interests and purpose apart from insurance.
- Policyholder interests aligning more closely with the certificateholder than with the interests of the insurance company.
- Does not include creditor groups.



# Background of Non-Employer Groups

- In 2023, the Commission adopted the Operating Procedure for the Use of Compact-Approved Products for Other than Employer Groups ("Group Rule").
- Amendments to Uniform Standards were adopted for Group Term Life, Group Whole Life, and Group Disability Income products.
  - Uniform Standards previously only addressed Employer Groups



Questions?



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# Non-Employer Group Filing Guidance

# Filing Information Notice (FIN)

## 2025-1

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- Outlines the process for group filing submissions that will be used for or issued to non-employer groups
- Provides detailed steps and clarifications in the Compact's process for filing and reviewing product filings according to the applicable Uniform Standards and Operating Procedures

# Overview of Filing Requirements

- **Submission:** Insurers submit their group insurance policy forms and related documents to the Compact Office for review.
- **Review:** Compact reviews the submitted documents to ensure they comply with the Uniform Standards and the Group Rule. This includes checking for completeness, accuracy, and adherence to new submission group requirements.

# Overview of Filing Requirements

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- **Approval:** If the submission meets all the standards, the Compact approves the group policy and certificate.
- However, for non-employer groups, this approval does not automatically mean the product can be issued.
  - Compacting State authorizes the specific non-employer group under applicable state laws and procedures.

# New Group Type Submission Requirement

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- Insurer must describe the type of groups that will be issued the product (e.g., employer, association, labor union, or trust).
- Each type of group should be named specifically
  - Avoid catch-all terms, e.g., "other" or "as may be determined."

# New Group Type Submission Requirement

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- **Acknowledgment:** Insurers must acknowledge that approval of the product filing does not imply that the group type meets the definition of an Employer Group or Non-Employer Group.
- Compacting State exclusively determines this based on applicable state law.
  - Compact Office is **NOT** tracking state group requirements



# New Specific Group Submission Requirement

- Applicable for Compacting States that require filing, review or approval of specific groups for Compact-eligible group products
- Information required
  - State;
  - Name of Specific Group;
  - Type Of Group
  - SERFF Tracking Number (If Applicable);
  - Date Of Filing With Or Approval By Compacting State (If No SERFF Tracking # Provided)

# New Specific Group Submission Requirement

## ➤ **CERTIFICATION:**

- Eligibility of specific groups to be issued the product/forms in this product filing meets state law.
- Compact-approved product will not be issued to a specific group unless it has met state law requirements.
- Will keep its Specific Group Listing updated within 90 days of action by the Compacting State.

# Overview of Filing Requirements

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- **State Compliance:** Insurers must ensure that the eligibility and authorization of the specific group complies with state law where the Compact-approved product will be issued.
- **State Filing:** Some states require prior review and approval of the eligibility of specific groups. For those states, insurers will submit specific group eligibility filings and reference the Compact product filing. Insurers do not submit the product forms to the state.

# How does the review work?

Insurer filed for or received authorization in the Compacting State, if applicable. Compacting States review pursuant to their group laws and filing requirements.

Insurer submits group product filing in compliance with the applicable Uniform Standards to Compact Office. Insurer completes the two group submission requirements.

Compact Office reviews and, if compliant, approves the group product for compliance with applicable Uniform Standards.

Insurer updates submission requirements in pending and approved Compact group product filings to document the group types and actions by Compacting States.

Compact Office provides reporting to the Compacting States as described above



Questions?



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# State Requirements

# State Reporting Requirements

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- **Opt-In/Sign Up:** Compact Office notifies Compacting States of group product filings for non-employer groups.
  - **Monthly Listing:** Compact Office maintains a monthly listing of group filings used with non-employer groups.
    - Compact Office will post this information to NAIC Connect.
  - **Quarterly Report:** Compact Office sends a quarterly report to designated representatives in Compacting States.
- States choose how frequent they would like reporting from Compact Office

# Filing Guidance for Compacting States

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- Compacting States may opt to update their filing guidance for Compact filers regarding how such filings should be submitted.
  - The guidance would aim to minimize questions and maximize compliance with the Compacting State's state laws and requirements for companies using Compact-approved group products for non-employer groups.
  - Sample language can be found in "Guidance for Compacting States for Compact-Approved Group Filings Used for Non-Employer Groups and Compact Office Reporting to Compacting States" document.





Questions?



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# Where to Find More Information

# FINs

<https://www.insurancecompact.org/industry-resources>

[Home](#) | [Industry Resources](#) | [Filing Information Not...](#)

## FILING INFORMATION NOTICES (FIN)

[FIN 2025-1: Process for Group Filings Being Used for Non-Employer Groups](#)

[FIN 2024-1: Requesting Trade Secret Treatment of Information Submitted in a Product Filing to the Interstate Insurance Product Regulation Commission \(Insurance Compact\)](#)

[FIN 2023-2: Proportion of Accidental Death Benefit in Relation to All Cause Death Benefit for Individual Life Insurance Forms Submitted to the Interstate Insurance Product Regulation Commission \(Commission\)](#)

[FIN 2023-1: Filing Process for Product Filings to Demonstrate Compliance with Suicide Exclusion Provision Amendments](#)

[FIN 2021-2: Filing Process for Product Filings that Include Montana to Address the Amendment of § 49-2-309, Montana Code Annotated](#)

- [FIN 2021-2 Overview](#)

- Documents issued by the Insurance Compact Office to provide guidance, instruction, and best practices to facilitate the submission of compliant product filings to the Insurance Compact.

# 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 ?

employer groups

### Citation # ?

### Items per page ?

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## RESULTS

### OPERATING PROCEDURES

Operating Procedure for the Use of Compact-Approved Products for other than Employer Groups

Effective Date: 01/29/2023

[View Details](#) →

# Operating Procedures - Document

## OPERATING PROCEDURE FOR THE USE OF COMPACT-APPROVED PRODUCTS FOR OTHER THAN EMPLOYER GROUPS

Effective Date: 01/29/2023

Document

Overview

History

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### § 101. Purpose.

Pursuant to Article X of the Model Interstate Insurance Product Regulation Compact ("Compact"), as enacted into law by each Compacting State, and Article III of the Bylaws of the Interstate Insurance Product Regulation Commission, this Operating Procedure (the "Rule") authorizes the Commission to establish appropriate filing and review processes and procedures for products approved by the Commission. The purpose of this Operating Procedure is to establish the procedures for filing and review of Product Filings which upon approval by the Interstate Insurance Product Regulation Commission (Commission) may be issued to Non-Employer Groups in the Compacting States. This Operating Procedure shall apply to require further action by a Compacting State, as applicable pursuant to each jurisdiction's requirements, before a Product Filing approved by the Commission can be issued to a Non-Employer Group.

### § 102. Definitions.

- 1) The terms as defined in Article II of the Compact and in Section 102 of the Operating Procedure for the Filing and Approval of Product Filings shall have the same meaning in this Rule as if such definitions were set forth fully herein.
- 2) The term "Employer Group" for purposes of this Operating Procedure and the Uniform Standards is defined as an employer, or the trustees of a fund established by an employer, which shall be deemed to be the policyholder to insure employees of the employer, and if applicable their dependents, for the benefit of persons other than the employer and must be authorized under the laws of the jurisdiction where the policy or certificate is delivered or issued for delivery.

# Uniform Standards - Overview

- Information on the development of the Operating Procedure
  - Comments received, applicable Briefing Sheets and Transmittal Memos, current version of Operating Procedure
- Framework Document also on Overview tab

## OPERATING PROCEDURE FOR THE USE OF COMPACT-APPROVED PRODUCTS FOR OTHER THAN EMPLOYER GROUPS

Effective Date: 01/29/2023

Document Overview History

### EFFECTIVE ON 01/29/2023

#### Subject Matter of Standard:

The purpose of this proposed rule is to establish the procedures for filing and review of a Product Filing, which with approval by the Interstate Insurance Product Regulation Commission (Commission) may be issued to Non-Employer Groups, as defined in the rule, in the Compacting States. The proposed rule shall apply to require further action by a Compacting State, as applicable pursuant to each jurisdiction's requirements, before a Product Filing approved by the Commission can be issued to a Non-Employer Group.

#### Date Approved by Management Committee:

December 15, 2022

#### Date Amendment Adopted by Commission:

December 15, 2022

#### Adopted Standard:

[Operating Procedure for the Use of Compact-Approved Products for other than Employer Groups](#) 

#### Published Notices of Standard:

July 20, 2022

[Notice of Proposed Rule](#)

#### Date and Location of Public Hearing, if any:


November 15, 2022

via conference call

#### Committee Memoranda:

June 28, 2022

#### Memoranda from the [Rulemaking Committee](#)

[Rulemaking Committee Transmittal Memo - June 28, 2022](#) 

[Group Expansion Briefing Sheet - November 15, 2022](#) 

[Updated Rulemaking Committee Transmittal with the Proposed Revisions to the Operating Procedure as Appendix B](#) 

#### Comments Submitted by Members and the Public:

[Comments Submitted by the American Council of Life Insurers \(ACLI\)](#) 

[Comments Submitted by Vermont Department of Financial Regulation](#) 

#### Checklists:

Framework



Questions?

# CONTACT THE INSURANCE COMPACT

## Email Address

[Comments@insurancecompact.org](mailto:Comments@insurancecompact.org)

## Phone Number

(202) 471-3962

## Website

[www.insurancecompact.org](http://www.insurancecompact.org)

