

Agenda item 2. Continue discussion of the draft standard for Additional Standards for Bonus Benefits for Individual Adjustable Life Insurance Policies

Andria Seip, Chair of the PSC, asked the Compact Office to provide background on the request to develop a standard for bonus benefits. Becky McElduff, Chief Counsel for the Compact, explained that the Compact reviews bonus benefit provisions and allows descriptions of nonguaranteed elements. She pointed out the provisions in the Individual Flexible Premium Adjustable Life Insurance Policy Standards. The request is to develop a uniform standard for additional standards for bonus benefits in individual adjustable life insurance policies in order to be consistent in how the Compact reviews similar benefits across product lines. The draft provides more specific requirements for actuarial review.

The Compact Office provided background on the three NAIC models that define nonguaranteed elements. (NAIC Life Illustrations Model 582, Model 580 Life Insurance Disclosure Model Regulation, Model 570 Advertisements Of Life Insurance And Annuities Model Regulation)

Andria Seip said that Maryland provided an example of a state-approved bonus rider for discussion. The PSC discussed state guardrails regarding non-guaranteed bonuses. Andria Seip provided information on Iowa's prohibitions and guardrails on non-guaranteed bonuses. Several member states referenced requirements in state unfair trade practices laws. Members agreed that non-guaranteed bonuses need to be clearly described in policies and advertisements. Andria Seip asked members if anyone had concerns about exposing the draft for public comment. There were no concerns. The draft will be exposed and scheduled for a public call.

Agenda item 3. Variable Annuity Subgroup and Actuarial Working Group update

The Compact Office is working on draft standards that will be reviewed by the PSC Group Variable Annuity Subgroup. The Actuarial Working Group will meet later this summer to begin work on amendments to the index-linked variable annuity standards.

Agenda item 4. PSC meeting calendar

The members reviewed the planned meeting dates through December.

Agenda Item 5. Any Other Matters

There will not be a meeting on July 14 due to the Roundtable Meeting on July 15. The next call will be a regulator-only call on July 28, 2026, to begin reviewing uniform standards requests for 2027. There were no other matters.