INSURANCE COMPACT COMMISSION

TO: **Interested Parties**

FROM: **Product Standards Committee**

DATE: **September 8, 2026**

SUBJECT: **Additional Standards for Guaranteed Bonus Benefits (for Individual Adjustable Life Policies)**

As part of the 2025 Uniform Standards Development identification and prioritization process, the Compact Office requested developing a new uniform standard for review of bonus benefits associated with individual adjustable life insurance policies. 2025 Bonus Benefit Request

The Compact currently reviews bonus benefits under the *Individual Flexible Premium Adjustable Life Insurance Policy Standards:*

> §2 GENERAL FORM REQUIREMENTS B. Specifications Page (5) "Any limitations on the crediting of additional interest on a portion of the account value shall be described."
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> §2 GENERAL FORM REQUIREMENTS S. Nonforfeiture Values provision (5) "In any policy under which additional amounts may be credited, the policy shall state that additional amounts are nonforfeitable after crediting except indirectly due to surrender charges made. The policy shall state that additional amounts, if any, will be credited no less frequently than annually."

The 2025 request is to create a new standard for additional standards for bonus benefits in individual adjustable life insurance policies. The *Additional Standards For Bonus Benefits (for Individual Deferred Non-Variable Annuities)* was used as a starting point, modifying the scope, Actuarial Memorandum section, the Variability of Information section, and the Nonforfeiture Values section.

The new standard added references to NAIC models and actuarial guidelines that apply to life insurance. In developing the Actuarial Memorandum section, the Actuarial Working Group discussed and determined that the nonforfeiture requirements were applicable to guaranteed bonuses only. In response to a comment about applicability to non-guaranteed bonuses, further changes were added to clarify that non-guaranteed bonuses are outside of the Scope of the new standard.