

**Agenda Item 2. Review and discuss chart of requested development of/amendments to individual life and annuity Uniform Standards.**

The Chair noted that the Insurance Compact Office prepared and distributed a summary chart, based upon submitted written comments, of the suggestions for products or benefit features to be addressed in the Uniform Standards. The Compact staff included a column noting whether changes would most likely be to create new or to amend existing standards.

Karen Schutter provided an overview of the suggestions for additional individual life Uniform Standards and provisions. A member asked for a more detailed explanation of the difference between a continuation of premium benefit and a premium deposit fund rider. It was noted that the premium deposit fund could be considered a non-insurance benefit as it provides a pre-funded account.

At least two states raised concerns about the request for an installment-only benefit option without the lump sum option including disclosure, credited interest and offsetting higher cash value. Several members questioned what benefit this option would have to the consumer, noting the irrevocable selection at the time of purchase seems to only benefit the insurer.

In reference to the request for index-linked death benefits for whole life insurance policies, a regulator asked for more detailed explanation of how the death benefit is affected by the index. Questions were raised regarding the suggestions for level term period-only feature and term to age 100 in terms of how they would work and if they are similar to whole life. It was noted that the company did not provide specific information about the requests and it was not clear whether existing standards may address the request.

With respect to the suggestions for annuities, a regulator asked whether it may be easier to address the request for fixed indexed annuity first before the indexed variable annuity requests. A regulator pointed out with respect to the structured, index-linked, hybrid annuities products, states have likely come up with their own individual and unique approaches to these products making it difficult to reach uniformity. A regulator wanted a better understanding of whether the structured, index-linked, hybrid annuities are always registered and whether federal regulations apply to the crediting feature. A member questioned if the longevity credits feature suggested for the Longevity Uniform Standards would be going one way or both up and down.

There was significant discussion on how to approach the consideration of this list and how to prioritize. The Chair, with the agreement of the full Committee, asked the Insurance Compact Office to work with the commenters to identify approved products or suggested language for the items on the chart so that the PSC has a better understanding of the request. The group agreed to start with the ones listed on the comments submitted by the Pennsylvania Department of Insurance and the ACLI for life and annuity products.

**Agenda Item 3 - Any Other Matters.** The Chair noted that the Compact staff would work on these next steps and encouraged the members to continue to review the items on the list and research whether products have been approved in the state and whether the members have specific requirements for these products.