

Agenda Item 2. Receive Comments on the Proposed Amendments to the *Additional Standards for Qualifying Events Waiver of Premium Benefits and Additional Standards for Qualifying Events Waiver of Monthly Deductions*.

Mary Mealer, Chair of the Product Standards Committee (PSC) stated that the purpose of these amendments is to allow for additional qualifying event triggers. The current standards only allow waiver of premium or monthly deductions in the event of total disability. The initial drafts of the proposed amendments were posted on June 19th and were based on the existing triggers and provisions in the annuity *Additional Standards for Waiver of Surrender Charge Benefit*. Written comments were received from Pacific Life Insurance.

Pacific Life Insurance summarized their comments, noting that the proposed amendments appear to have prescriptive limits that may minimize innovation. He stated that limitations on variable items such as life expectancy or waiting periods may limit the products offered and the company was unclear of the reason for other restrictions within the standards.

Tashia Sizemore, Oregon Division of Financial Regulation, questioned why the company would file these products with the Compact rather than with the states individually. Pacific Life responded that they file products for which Uniform Standards are available with the Compact because of the efficiency and the ability to obtain one approval for all member states rather than file state by state. Ms. Sizemore stated Oregon did not enter the Compact under the intent the Compact would be used to push speed to market by using the Compact as a “loophole” to file innovative products and get around state regulation, rather than go to the states directly. She said the Compact was not the proper forum for innovation and Oregon created a new innovative hub. She referenced long-term care hybrid products as an example and said Oregon wishes to see those products. She said her advice to the IIPRC was to push companies who tried to file innovative products to the states. The Chair indicated she did not agree with this characterization and the purpose of Uniform Standards is to develop detailed requirements for products which can be filed through the Compact. The Chair asked Ms. Sizemore to submit her comments in writing and asked her to distinguish her comments on innovative products from comments specific to the uniform standards in question so the PSC could address the items related to the Uniform Standards.

The Chair asked if there were any other comments regarding the draft Uniform Standards. No further comments were made.

Agenda Item 3. Receive Comments on the Updated Draft of the Uniform Standards for Group Guaranteed Interest Contracts for Non-Variable Annuities for Employer Groups.

The Chair stated that the first draft of these uniform standards was posted for public input in November of last year and the PSC held a public call in February of this year to hear comments. The PSC then reviewed and discussed comments from ACLI, National Life Insurance Company, and the Oregon Division of Financial Regulation. In addition to those comments, the PSC considered provisions that were updated in the recommended uniform standards for *Single Premium Group Fixed Annuity Contracts for Employer Groups* to assure consistency within the uniform standards. The revised draft was posted and distributed two weeks ago.

The Chair stated that no written comments have been received; however, there was a request to extend the period for written comments. She asked to hear any oral comments on this call and agreed to extend the time for written comments until Wednesday July 31st.

Tom Kilcoyne, Pennsylvania asked if industry representatives could clarify what is included on active life certificates and retired life certificates. Keith Mancini, Great West responded that from his experience, active life certificates for GICs provided more of a summary of how the contract works while retired life certificates contained a more stripped-down listing of benefits and were more like a PRT certificate. He noted that the Certificate Uniform Standards were developed to cover various types of group annuity certificates.

Mr. Kilcoyne commented that under § 3 Terms and Concepts, item (16) “Payee,” he thought the two sentences may conflict. For item 19 “Benefit Responsive Withdrawal,” he noted that it was not in alphabetical order and also suggested adding “at contract value” to the definition.

The Chair asked that he submit his comments in writing. There were no further comments on this draft.

Agenda Item 4. Any Other Matters.

The Chair reminded attendees that the deadline for comments on the *Uniform Standards for Group Guaranteed Interest Contracts for Non-Variable Annuities for Employer Groups* is July 31st. She stated that the PSC will be reviewing the comments we have received on these standards in our upcoming member call.