

Product Standards Committee
Member Call Summary
July 7, 2020

Agenda Item 2. Consider Comments to Uniform Standards in Rulemaking Process

Review comments from ACLI and proposed changes to the amendments to the *Additional Standards for Qualifying Events for Waiver of Monthly Deductions Benefits* and *Additional Standards for Qualifying Events for Waiver of Premium Benefits* and for the new *Additional Standards for Waiver of Surrender Charge Benefit for Life Insurance*

Jason Lapham, Chair of the Product Standards Committee, noted that a revised draft including the changes agreed to on the June 23 call was distributed to members. He went over the outstanding items in the *Additional Standards for Qualifying Events for Waiver of Premium Benefits*.

The PSC discussed whether to add two sentences to the Scope section to address concern about confusion with long term care benefits in the title of the waiver. The PSC agreed to add the following sentences to the Scope that is used in other standards:

Products subject to these standards shall not be described as long-term care insurance or as providing long-term care benefits. If the payment of waiver of premium benefits is contingent upon receipt of long-term care services or supports, these standards shall not apply and such benefit will be subject to the Interstate Insurance Product Regulation Commission standards for individual long-term care insurance.

The PSC agreed to add a Fairness provision in the General Requirements §2C to address concerns by Pennsylvania.

C. FAIRNESS

- (1) The form shall not contain provisions that unfairly discriminate among insureds with differing qualifying events covered under the form, or among insureds with similar qualifying events covered under the form.

The PSC agreed that the exclusions in Section 3C (2) to add total disability as well as qualifying events.

- C. (2) A waiver benefit form **for qualifying events and total disability** shall not include the following exclusions and restrictions as a basis of waiver claim denial by the company:

The PSC discussed a Hawaii state statute that limits the frequency of requests if the claimant is permanently disabled. Hawaii provided proposed language to Section 3D(1)(b)(i). The PSC decided to leave the provision as drafted.

The PSC reviewed a recommendation from Pennsylvania to remove “and” in the Scope section on page 1 and in §3C (1) in the Exclusions section and agreed to the change.

Agenda Item 3. Assignment from the *Insurance Compact Compass Strategic Plan*

Priority I: Uniform Standards States Support and Companies Willingly Use

Action Item 2: Provide wider and easy-to-follow public notice and detailed information with respect to Uniform Standards development for members, interested parties and constituents/stakeholders.

The PSC discussed the public notices currently provided during the uniform standards development process. The Chair said that information should be as accessible as possible. PSC members thought notices of public calls needed to include links to all comments so that the reader would have a better sense of how many comments were submitted. There was discussion about ways to provide updates when items were added to the docket on the Insurance Compact website. There was also discussion about where to place the PSC call summaries so they would be easier to find. Iowa suggested there could be more detail in the summaries to make it easier to follow the standard development process. Some members preferred to get emails while others expressed interest in a way to sign up for updates on the website. The chair said that the Compact should make options available. Pennsylvania suggested there should be an archive of the PSC reports to the Management Committee accessible on the website. The Chair said it was difficult for PSC members to assess the process and that public input would be helpful.

Agenda Item 4. Discuss Next Steps and preparation for July 21, 2020 PSC Call

The Chair asked the Compact Office to prepare an updated version of all the standards showing the changes being recommended by the PSC to respond to the comments to the Management Committee for review on the July 21 call. The public call will be rescheduled for August.

Agenda Item 5. Any Other Matters

There were no other matters.