Welcome to the Compact Rulemaking Committee Teleconference
Thursday, February 25th
Our meeting will begin shortly.

- All audio will be muted upon entry; Unmute your line to speak
- Enter with video on or off (your choice)
- If you have joined by phone, to mute and unmute your line, press *6
- All attendees may use the Q&A feature within WebEx for question, comments, or assistance from moderators.

For additional help, please contact Hanna Steen at hsteen@insurancecompact.org
IOWA INSURANCE DIVISION
NON-EMPLOYER GROUP FILING REQUIREMENTS
Iowa Code 509.1 Form of policy. No policy of group life, accident or health insurance shall be delivered in this state unless it conforms to one of the following descriptions:

…

10. A policy issued to a resident of this state under a group life, accident, or health insurance policy issued to a group other than one described in subsections 1 through 9, subject to the following requirements:

   a. The commissioner determines that all of the following apply:

      (1) The issuance of the group policy is not contrary to the best interest of the public.

      (2) The issuance of the group policy will result in economies of acquisition or administration.

      (3) The benefits under the group policy are reasonable in relation to the premium charged.
Iowa Code 509.1(10) “b” The commissioner need not make a determination under paragraph “a” if the commissioner determines that the group insurance coverage offered in this state by an insurer or other person is offered under a policy issued in another state and that state or another state in which the policy is offered, having requirements substantially similar to those in paragraph “a”, has determined that the policy meets those requirements.
- This Code section seems to be a ‘catch-all’ for groups that don’t fit within the other, more clearly defined groups such as, a lawyers’ association, a volunteer fire department or a labor union.

- This statute is similar to the NAIC Model Act regarding Group Health Insurance Standards, MDL-100, section 5.

IID SERFF Filing Requirements

Any association or other discretionary group must provide the following:

• What provision of Iowa law the association or group is seeking designation under;

• Indicate whether the group is registered with the Department of Labor and whether the group has an M-1;

• Indicate whether the group considers itself a PEO;
- Copy of the master policy issued to the Association;
- Copy of the individual member’s policy/certificate of coverage;
- Organizing documents for the group: by-laws, meeting minutes, etc.
• Certification from an authorized representative from the issuing insurance company outlining the company’s legal opinion as to how the association or group meets the requirements under Iowa law including:
  o A description of how the group policy results in better pricing than would otherwise be available in the market. See 509.1(10)“a”(2) regarding economies of acquisition.
  o That the “benefits…are reasonable in relation to premium charged.” See 509.1(10)“a”(3).
Non-employer group requirements in Oregon

February 2021
Associations, Trusts, Discretionary Groups

- Prior approval of forms \textit{and} groups required
- Insurer responsibility
  - Providing required group documentation
  - Waiting for approval to write \textit{each} product to the group
  - Refiling when form, product, or group changes
  - Responding to inquiries about the group
- Oregon legal and administrative changes
Internal Tracking

• Each non-employer group is assigned an OID Number
• Tracking occurs at intake analyst and forms analyst steps
• Tracking groups through SERFF filings
  • Group name
  • SERFF Tracking number
  • Type of group – Association, Trust, Discretionary Groups
  • OID Number – 3 or 4 numerical digits
  • Type of coverages issued – Life, Disability, Health, Annuities
  • Resulting Disposition
    • Disapprovals
  • Associated insurers
Why this approach?

- Market knowledge
  - Linking products, groups, and insurers
  - Membership counts
  - Complaints from groups, members, non-members, producers
  - Individual market impacts

- Industry confusion
  - Form approval $\neq$ group approval
  - Group approval $\neq$ complete approval for all products

- Consistency
  - Previously disapproved groups
Group Review

• Association or trust documentation
  • Group founder (e.g. the Oregon Association of Paperclip Makers)
  • Group eligibility and control
  • Benefit and eligibility control
  • Formation purpose
  • Other group activities
  • Advertising and marketing

• Discretionary groups
  • Rare
Market Conduct and Compliance

- Group Disapproval
- Complaints
  - Unapproved products
  - Terminating or denying undesirable (high risk) members
  - Failure to pay claims
- Filing monitoring
  - Advertising filings
  - Product filings
    - “This product may be issued to associations, trusts, discretionary groups.”
  - Association filings
Compliance examples

• Insurer offering members of an unapproved association insurance products
  • Large association of associations
• Insurer failing to file for approval of a new product line for an existing association relationship
• Insurer advertising association membership for the purpose of selling insurance
Accessing Group Information

• Public information
• SERFF Filing Access (SFA)
  • No log-in necessary
  • https://filingaccess.serff.com/sfa/home/OR
• Specific group inquiry
  • Contact the division
Contact

Rick Barry
Health Policy Analyst
rick.a.barry@Oregon.gov

Tashia Sizemore
Life and Health Program Manager
tashia.sizemore@oregon.gov
Filing and Implementation Process for Association Groups

New York Life

February 25, 2021
New York Life - Strong Supporter of the Compact

• Compact Created to Fill a Need
  – speed-to-market initiative for Life, Annuity, LTC and DI
  – development of uniform, robust standards that protect consumers
  – product approval allows carrier to sell in all Compacting states

• New York Life Regularly Files with the Compact
  – Top 3 Compact filer
  – file Life, Annuity, DI and LTC products

• New York Life Supports Compact’s Efforts to Expand into Non-Employer Group Space
  – Fills an important need in the marketplace
    • Pre-screened offering designed for their members
    • Often in underserved communities
  – Many lack access to employer-sponsored products or agent-advice
AARP – Case Study

- New York Life – exclusive life carrier for AARP
  - AARP is an approved association in every state
  - AARP serves nearly 38M Americans
    - Provides advocacy at the state and federal level
    - Provides educational content for members
    - Pre-screened product offerings along several categories
  - Life products offered to AARP members through NYL
    - Serves nearly 2M members nationwide through
      - Term Life (~35%)
      - Guaranteed Issue Whole Life (~15%)
      - Underwritten Whole Life (~50%)
AARP State Filing Process – Our Experience

• Master group policy, group certificate, and application filed and approved in AARP’s home state
  – Vast majority of states require filing the group certificate and application before product is offered to in-state AARP members
  • Complexities inherent in a state-by-state filing process can delay the introduction of products nationally
  • most state group life laws are largely consistent, lending itself to the Compact approval process

• Group Approval Authority - Survey
  – Support for Compact to approve non-employer group products
  – States to retain authority to approve group
Compact standards will create consistency and speed to market

• Consumers and carriers will benefit by extending Compact standards to non-employer groups
  – Increased speed to market, serving large populations of constituents
  – Consistent and robust standards that apply uniformly across all Compacting states
    • Compact may want to leverage existing employer group standards to accommodate non-employer groups
  – Single point of contact at Compact to discuss product development