

Product Standards Committee
Call Summary
November 9, 2021

Agenda Item 2. Review Edits to the Report of Five-Year Review Changes for Group Term Life and Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities

Jason Lapham asked the Compact Office to summarize the changes to Five-year Report. The Compact Office added comments in the report on the PSC decision not to accept the two substantive change requests. There was also an additional clarification item requested by the Compact Office. The Compact reviewers requested a change in the use of the phrase “adjusted for withdrawals” as it has caused questions and confusion with filers. The reviewers suggested substituting “premiums minus withdrawals” for clarity. There was discussion about the clarification item. The PSC agreed to accept the change. Jason Lapham asked the members to take one last look at the draft report and to provide any comments to the Compact Office before the next call. The next step will be to schedule a public call to accept comments on the revised draft report.

Agenda Item 3. Continue discussing an outline plan for Priority I, Action Item 9, to identify ways that the Uniform Standards can promote the use of plain, understandable language in forms, potentially through a generally applicable Uniform Standard or amendments to individual standards.

Jason Lapham introduced Fawn Escalante from the Texas Department of Insurance to provide a summary of the Texas Department of Insurance Plain Language Initiative. Fawn said the department had three webinars which were well attended. Recordings of the webinars, handout materials and other resources are available on the website. She suggested making documents more readable by breaking up sections, using bullet points and more white space. Jason Lapham commented that policy forms have concepts that are very difficult to follow, and it would be hard to get companies to make changes so the policy is more understandable. He asked if Texas considered their recommendations as guidance. The Compact Office staff provided some comments from the ACLI that it would be difficult to put complex requirements into plain language as it would add ambiguity that could be construed against an insurer. Jason Lapham asked the PSC members to provide the Compact Office with suggestions for discussion.

Agenda Item 4. Any Other Matters

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The next meeting of the PSC will be a regulator call on November 30. The Actuarial Working Group will be updating the PSC on the status of the draft index linked variable annuity uniform standard. There were no other matters.