



INSURANCE COMPACT COMMISSION COMPASS

Draft Strategic Plan 2020 -2023

Strategic Plan Development

- Officers identified need to bring the Commission's 46 members together to set a strategic course for this mature organization
- Member driven process with multiple opportunities for input by Commissioners, department staff, the Legislative Committee, advisory committees, company filers and others
- Strategic plan provides a compass to guide the organization for the next three years of more

Structure of Strategic Plan

- Executive Summary
- Introduction
- Strategic Planning Process
- Priorities I, II and III
 - *Objectives*
 - *Strategic Synopsis*
 - *Strategic Background*
 - *Strategic Survey Feedback*
 - *Action Items*
- Conclusion
- Purposes, Mission and Vision

Executive Summary

- PRIORITY I: Uniform Standards States Support and Companies Willingly Use
 - Objectives: Robust, Relevant and Reasonable
- PRIORITY II: Nationally Recognized Regulatory Review Process
 - Objectives: Responsive, Reliable, and Regulatory Collaboration
- PRIORITY III: Resource for Compacting States, Regulated Entities and Consumers
 - Objectives: Responsible, Respected and Ready

Background

- Regulatory innovation to preserve state-based authority and revenues while cooperating to achieve uniformity and efficiencies
- Compact operational in 2006 with 27 members
- Product filing operations online in 2007 with 31 Uniform Standards and 9 filing companies
- Today, 46 members, 100 Uniform Standards, 250+ filing companies and 8,500+ products approved
- Over \$20 million collected and remitted to states

Purposes

- To promote and protect the interest of consumers of individual and group annuity, life insurance, disability income and long-term care insurance products;
- To develop uniform standards for insurance products covered under the Compact;
- To establish a central clearinghouse to receive and provide prompt review of insurance products covered under the Compact and in certain cases, advertisements related thereto, submitted by insurers authorized to do business in one or more Compacting States;

Purposes

- To give appropriate regulatory approval to those product filings and advertisements satisfying the applicable uniform standard;
- To improve coordination of regulatory resources and expertise between state insurance departments regarding the setting of uniform standards and review of insurance products covered under the Compact;
- To create the Interstate Insurance Product Regulation Commission; and
- To perform these and other related functions as may be consistent with the state regulation of the business of insurance.

Mission

To be an innovative vehicle formalizing the joint and cooperative action among compacting states, leveraging regulatory resources and expertise to establish uniform standards that strongly protect the interest of consumers and form the foundation of a central clearinghouse for prompt review of asset-based insurance products.

Vision

To transform the way insurance products are filed, reviewed, and approved in the United States. Its streamlined processes provide speed-to-market for the insurance industry, thus affording consumers quicker access to more competitive insurance products. By promoting uniformity through application of national product standards embedded with strong consumer protections, the Insurance Compact and its Commission are meeting the demands of consumers, industry and regulators in the ever-changing, global financial marketplace.

Strategic Planning Process

- Strategic Planning Committee – Officers and representatives from Legislative Committee, and Consumer & Industry Advisory Committees
- Surveyed Commissioners, regulators, company filers, state legislators, consumer & industry representatives
- Held public strategy session in April
- Discussed at in-person meetings and conference calls
- Strategic Framework (priorities & objectives approved in August)
- Draft Plan released 9/30 written comments due November 15th
- Goal is to adopt final plan at December 9th meeting

Priority I

- Uniform Standards States Accept and Companies Willingly Use
 - Objective 1: Robust – *Reflect strong consumer protections*
 - Objective 2: Relevant – *Reflect product offerings available in Compacting States*
 - Objective 3: Reasonable – *Reflect product requirements that are not unduly prescriptive*

Priority I Background

- Successful vehicle for cooperative and collaborative development of Uniform Standards
- Participation by Compacting States and wide utilization by companies of Uniform Standards
- Swift market and regulatory developments for these authorized lines

Strategic Survey Feedback

- Open member-only drafting process of Uniform Standards to all Compacting States
- Make it easier and more informative to follow and understand drafting process of all interested parties
- Expand the scope of the Uniform Standards to reflect more types of products similar to what is being accepted by states
- Consider more flexible process to implement or change Uniform Standards to react to market and regulatory developments

Priority I Action Items

1. Provide wider and easier participation by all Compacting States in the drafting process for Uniform Standards development including discussions of the Product Standards Committee.
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.

Priority I Action Items

3. Provide guidance for Compacting States and interested parties to be used in the Uniform Standards development process for drafting, submitting and considering proposals or changes to Uniform Standards to focus on the robust, relevant and reasonable objectives.
4. Develop procedures to expand the Uniform Standards to accommodate group types available in the Compacting States for the authorized product lines (other than existing employer-employee group-type).

Priority I Action Items

5. Review current five-year review process and activities to recommend changes to make it more iterative, flexible and efficient review of the Uniform Standards focused on the robust, relevant and reasonable objectives.
6. Develop a listing and prioritization for the development of new Uniform Standards including for new product lines (i.e., group whole life) and emerging products and benefit features for existing product lines (i.e., indexed-linked variable annuities) to reflect product offerings accepted by the majority or more of Compacting States.

Priority I Action Items

7. Develop groups within the Compacting States, state legislators, consumer representatives and industry / company representatives to provide product-specific or issue-specific expertise in the Uniform Standards development process.
8. Identify specific areas of product regulation, where uniformity would be conducive to the goals of Compacting States and state-based insurance regulation and determine if they are within the existing authority of the Insurance Compact.

Priority II

- Nationally Recognized Regulatory Review Process
 - Objective 1: Responsive – *Provide prompt review and turnaround times*
 - Objective 2: Reliable – *Provide consistent, thorough quality reviews*
 - Objective 3: Regulatory Collaboration – *Provide information and processes working with Compacting States to facilitate their state market and financial regulatory functions with respect to Compact-approved products*

Priority II Background

- Central clearinghouse for submission, review and approval of products
- Commission investment in qualified professional staff and procedural framework
- Commission achieves transparency in its reviews through detailed prior approval, SERFF tools, public access and its website

Strategic Survey Feedback

- More active and affirmative communication with Compacting States about product filing and review activities
- Improved tools within SERFF to enhance processes for Compacting States, filers and the Insurance Compact Office
- Continual focus on consistency and turnaround time
- Develop process to consider emerging products

Priority II Action Items

1. Create a new position for a member services coordinator to work closely with regulators in Compacting States to provide regular and consistent communications on a variety of Compact matters including updates and issues in the regulatory review process.
2. Identify enhancements within the Insurance Compact instance in SERFF or the regulatory review processes to better assist the Compacting States in easily identifying the product, product features and other pertinent information of a Compact filing and work with SERFF to ensure a smooth transition for the Insurance Compact instance during its reengineering project.

Priority II Action Items

3. Partner with the NAIC to develop automated tools for the Insurance Compact Office, company filers and regulators to create useful reports and search functionality as well as business intelligence to increase consistency and compliance with the Uniform Standards at the time of filing.
4. Provide a continuing path for expedited review for product filings meeting eligibility criteria to optimize compliant filings.

Priority II Action Items

5. Develop a program to create resource groups of Compacting State regulators with form review or actuarial experience in the Insurance Compact's authorized product lines to train and be available as a resource to the Insurance Compact Office in the regulatory review process.
6. Provide samples of simplified forms or provisions deemed consistent with the Uniform Standards for use by company filers when submitting a Compact filing.

Priority II Action Items

7. Study and analyze the types of mix and match for product filings over the last three years and provide a report to the Commission with detailed information and recommendations to improve the process and further minimize the need for mix and match and include guidance, with input of Compacting States, regarding whether additional forms are required to be filed with Compacting States for a Compact-approved product.
8. Develop a process for working with Compacting States willingly wanting to incubate a product filing through the Insurance Compact filing process where aspects of the product (benefit or actuarial) are novel to determine if they can be filed under existing or future Uniform Standards.

Priority III

- Resource for Compacting States, Regulated Entities and Consumers
 - Objective 1: Responsible – *Provide excellent and accountable information and services*
 - Objective 2: Respected – *Retain qualified and experienced staff*
 - Objective 3: Ready – *Provide proactive information on Compact activities and be an accessible source of information*

Priority III Background

- Vehicle to collaborate, exchange and leverage information
- Transparency in rulemaking through notices and website (Docket and Record)
- Regular and varied outreach through webinars, e-mails, conference calls website, presentations
- Source for states, industry, and consumers about the Compact and its Uniform Standards

Strategic Survey Feedback

- Continue to be accessible and transparent
- Increased and ongoing training and informational resources for Compacting States
- User-friendly notices and easier-to-navigate website

Priority III Action Items

1. Provide regular and ongoing information to Compacting States through weekly, monthly, and quarterly communications and reports about its committee and product operations activities.
2. Provide live and on-demand training programs and tutorials for Compacting States, company filers, and consumer representatives about various aspects of the Compact and offer ongoing training on Uniform Standards and current product development.

Priority III Action Items

3. Convene focus groups of Compacting States (regulators and legislators), industry representatives and company filers, and consumers and consumer representatives to identify informational needs and improvements to the website and insurance Compact notices.
4. Develop a program to create product line groups led by Insurance Compact staff composed of interested regulators, industry and company representatives, consumer representatives and interested parties to discuss current activities and items of interest on a regular basis.

Priority III Action Items

5. Develop a comprehensive professional development program for the Insurance Compact Office team to ensure training in current best practices and developments in respective professional fields and creation of a succession planning strategy.
6. Partner with NAIC, NCOIL, NCSL and Council of State Governments (CSG) to develop a reference book regarding the Insurance Compact to be used as a guide for Compacting States and courts when working with Compact-approved products.

Priority III Action Items

7. Work with the NAIC to restructure the Commission's repayment of start-up capital to maximize the Commission's ability to balance repayment with sustainability over the next ten years.
8. Working with the NAIC, provide regular updates to Committees, Task Forces and Working Groups with jurisdiction over product lines authorized by the Insurance Compact regarding its activities. Working with other state-based organizations including NCOIL, NCSL and CSG, provide regular updates on the Insurance Compact at their respective meetings or through other forms of communication.

Where to find the Strategic Plan?

Accessible from the Home Page

About the Compact

Contact Us

FAQs

Weekly Tips

Strategic Planning Initiative

Insurance Compact Strategic Planning Initiative

The Insurance Compact Commission is currently undertaking a member-driven strategic planning process, with the purpose of setting strategic priorities, goals and objectives for the next three years. After soliciting input and conducting surveys of our members, filers and other stakeholders, the Strategic Planning Committee drafted a Strategic Planning Framework laying out the draft priorities, objectives and goals to serve as a starting point for further discussion. At an in-person meeting on August 2, 2019, the Commission expressed general agreement with the priorities laid out in the framework. The Strategic Planning Committee is now exposing the draft Strategic Plan for review and comment by members and interested parties.

Draft Strategic Plan

Written comments will be accepted until **November 15, 2019**, and should be submitted to comments@insurancecompact.org.

Comments Received:

Background Materials:

Compact Strategic Planning Framework (Approved by the Management Committee & Commission on August 2, 2019)

Comments from Jason Lapham, Colorado Division of Insurance, dated June 26, 2019

Comments from Jackson National Life Insurance dated July 24, 2019

Comments from Tom Kilcoyne, Pennsylvania Insurance Department, dated July 25, 2019

Comments from ACLI dated July 29, 2019

What's Next?

- Written comments due Friday, November 15th by e-mailing to comments@insurancecompact.org
- Strategic Planning Committee will review comments and may suggest changes through a redlined version of the draft Strategic Plan
- Commission will discuss draft Strategic Plan at its in-person meeting on Monday, December 9th at 3 pm Central with the goal of finalizing and considering for adoption.

CONTACT THE INSURANCE COMPACT

For more information, please contact us at:

<https://www.insurancecompact.org/contact.htm>

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