

Compact Chronicles



INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION NEWSLETTER

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UPCOMING COMMISSION AND COMMITTEE MEETINGS

Wednesday, August 4
Finance Committee
Regulator - to - Regulator Call
2:30 pm ET / 1:30 pm CT

Tuesday, August 10
Product Standards Committee
Public Call
1:30 pm ET / 12:30 pm CT

Thursday, August 12
Joint Meeting of the
Management Committee and
Commission - Columbus, OH
(or virtually)
3:00 pm ET / 2:00 pm CT

Tuesday, August 24
Product Standards Committee
Regulator - to - Regulator Call
1:30 pm ET / 12:30 pm CT

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LETTER FROM KAREN SCHUTTER, EXECUTIVE DIRECTOR

Summer greetings from the Compact! I hope you have had a break this summer from whatever you now call "the office" or at least from the carousel of virtual calls.

As summer flies by, you can look forward to attending the Joint Meeting of the Management Committee and Commission on Thursday, August 12th at 3 pm ET held in conjunction with the NAIC Summer National Meeting in Columbus, Ohio. The Commission will meet in person for the first time since 2019 with the ability for those not in person to participate virtually through Zoom.

We want to make sure everyone is up to speed on the topics we will cover, so this issue is dedicated to providing an overview of what will be discussed.

Since we are meeting in Ohio, did you know that it was the 27th state to join the Insurance Compact triggering the premium-volume threshold (40%) to commence operations? Two past Ohio Department of Insurance Directors have served as Chair: Mary Jo Hudson (2009-2010) and Jillian Froment (2018-2019).

Please join us for a reception after the meeting to celebrate 15 years of Compact operations, where we will join our current Officers and several past Chairs to kick off our time together in Columbus! It will take place in the Convention Center's North Atrium at 5:00 pm EST. I've included the invitation in case anyone missed it.



MEMBER CORNER

For this edition, we profile our Commission Vice Chair, Wisconsin Commissioner Mark Afable! Mark was appointed by Governor Tony Evers in January 2019.

A graduate of Marquette University Law School, Mark has over 38 years of experience in the insurance industry. Prior to his appointment, he served as the chief legal officer for American Family Insurance. With extensive experience working with state and federal legislators, state insurance regulators, and the NAIC, he advised senior leadership and the board of directors on legal matters involving corporate governance, compliance issues, and regulatory actions. Earlier in his career, Mark focused his efforts on insurance policy and legislative issues as counsel for the National Association of Independent Insurers (NAII) in Des Plaines, Illinois. Mark also loves to cook for family and friends, and especially enjoys using his grill and smoker whenever he can.



COLUMBUS MEETING PREVIEW

LONG-TERM CARE OPTIONS

This agenda item addresses South Carolina's request to either amend or eliminate the 15% threshold currently in place for Compact-approved long-term care (LTC) rate increases. The Columbus meeting agenda provides ample time for comments and discussion, and there are a number of resources you can reference in preparation of this topic, including the [Transmittal Memo the Product Standards Committee](#) referred to the Management Committee on June 29th and the [Briefing Sheet on LTC Options](#). Notice seeking written comments was sent on July 16th, and the comment period will last until September 13th. The goal is to find consensus on a proposed option at the meeting.

GOVERNANCE UPDATE

The Governance Committee will provide an update on its activities concerning the recommendations made by [Squire Patton Boggs \(SPB\)](#). The Committee is reviewing submitted comments in response to proposed changes to the Compact's Bylaws and expects to make its recommendation to the Management Committee later this summer. The Bylaw amendments will be exposed for a comment period and public hearing at a meeting before consideration of adoption at the Annual Meeting in December. The Governance Committee will give an update on the SPB recommendation of implied congressional consent to address the Colorado Supreme Court ruling.

MODEL 805 AMENDMENTS/GAP

Emergency Rule 2 (ER-2) went into effect on March 23, 2021, to stay the updates made to NAIC Model 805. Without this change, the standard nonforfeiture rate would have automatically changed from 1.00% to 0.15% in several non-variable annuity uniform standards. ER-2 is set to expire on September 19th. Permanent amendments to these standards were adopted on June 29th; however, they do not take effect until October 13th. The Management and Commission will be asked to consider adopting Emergency Rule 3 (ER-3) to address the time lapse between the current emergency rule and the adopted amendments.

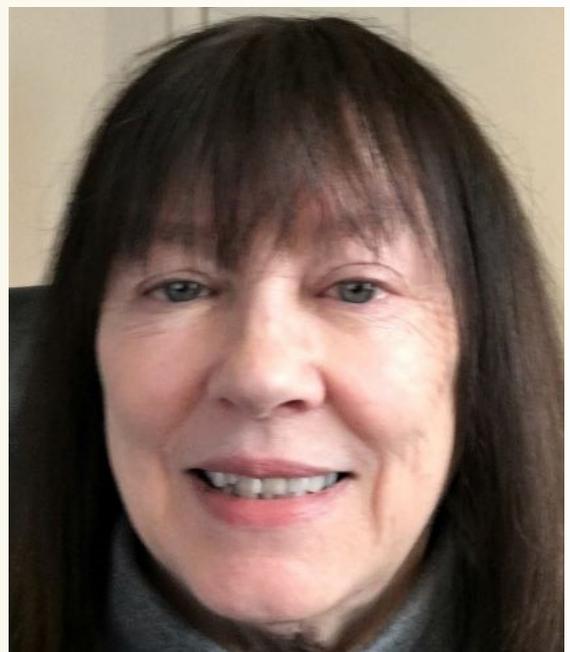
LIFE WAIVER UNIFORM STANDARD AMENDMENTS

The Product Standards Committee (PSC) is concluding its work on three life insurance waiver standards, which included adding certain benefit triggers: (1) diagnosis of limited life expectancy or life-threatening condition; (2) diagnosis of cognitive impairment; (3) assessment by qualified professional establishing inability to perform certain activities of daily living; (4) receipt of care from a health care facility; (5) disability; or (6) unemployment. The PSC addressed the concern raised by the ACLI pertaining to the total disability definition during its July 27th call, and the standards are ready for action by the Management Committee and Commission in Columbus.

COMPACT SPOTLIGHT

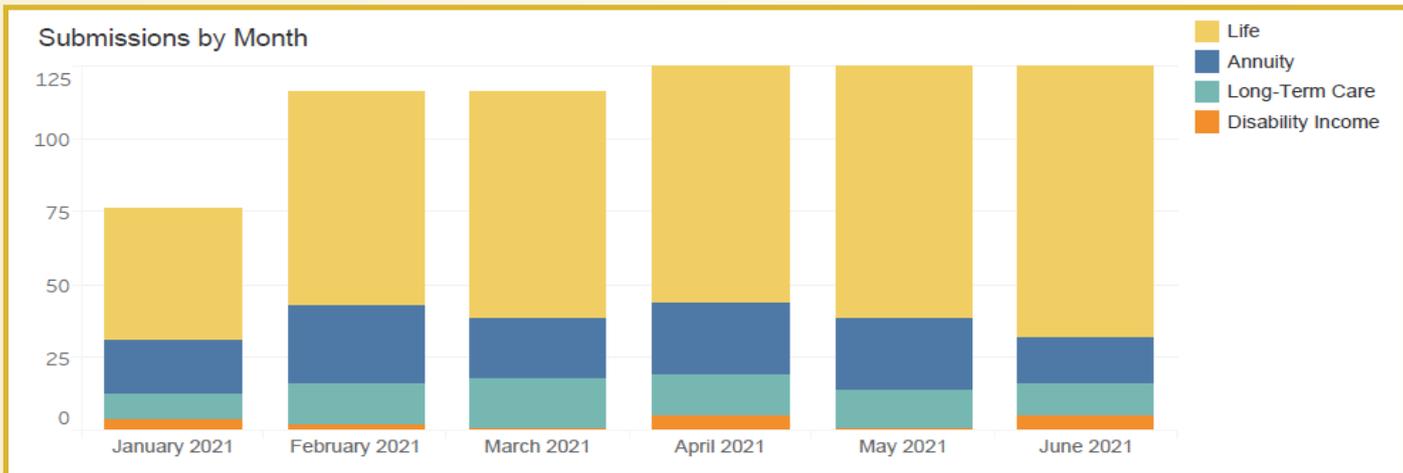
MEET SUE EZALARAB!

Sue is the Compact's Regulatory Coordinator Consultant. Sue provides direct support to regulators in Compacting States to answer questions and provide information about the Insurance Compact, its Uniform Standards and product operations. She provides support to the Product Standards Committee in the drafting, review, and consideration of new or updated Uniform Standards. Sue previously worked for the Wisconsin Office of the Commissioner of Insurance as the Director of the Bureau of Market Regulation. Sue represented Wisconsin on the Product Standards Committee and served as Chair from 2010-2014. Sue lives in Madison, Wisconsin with her husband, Hamdy. In her spare time she volunteers for Meals on Wheels. She has a lifelong interest in ancient Egyptian art and is eager to visit the new Grand Egyptian Museum in Cairo.



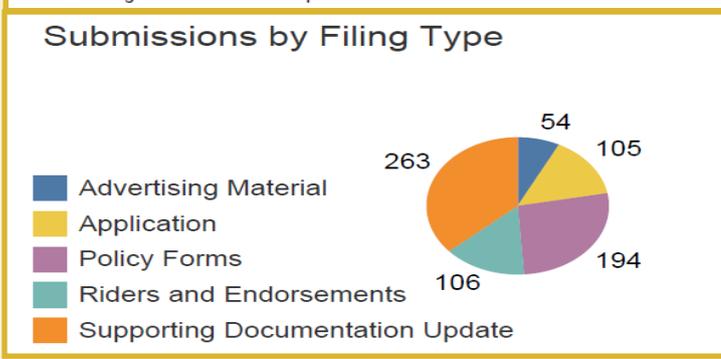
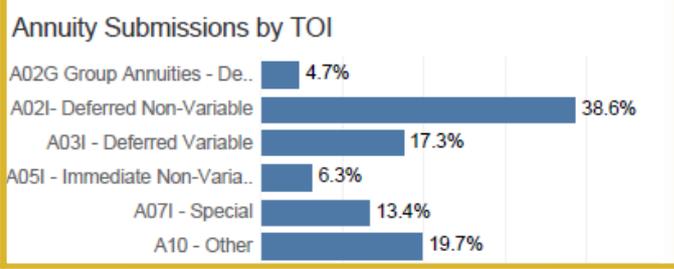
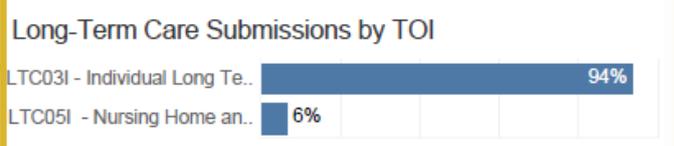
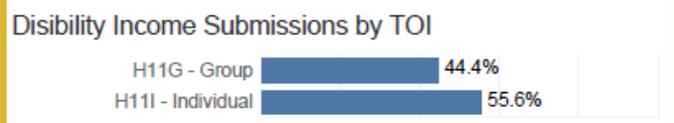
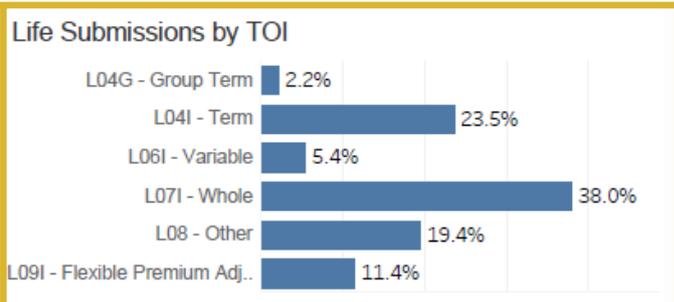
COMPACT PRODUCT FILING STATISTICS

AS OF JUNE 30, 2021



Approval Time (avg)*	25
Companies Registered	246
Forms Submitted	1,340
Products Received**	746
SERFF Transactions***	27,549
States/Filing (median)	44
Submissions Received	722

* The time for product approval is calculated utilizing business days and excludes the company response time to objection letters, as defined in §105 of the "Product Filing Rule".
 ** "Products Received" is defined as the number of policies/contracts submitted in a filing. When a filing does not contain a full policy/contract, the products received count is 1.
 *** "Transactions" refers to the total number of SERFF transactions that have been made through the Insurance Compact.



STRATEGIC PLAN UPDATE



We have an exciting update regarding Priority II, Objective 3 of the Strategic Plan! The Compact Office is implementing more ways to collaborate with our members and provide a regulator-only setting where ideas and information can be shared between the Compact and fellow regulators. One of those initiatives is developing a Collaboration Space where member states can ask questions and get real-time feedback. We're working hard getting this site up and running, and we are anticipating having it ready for production by the fall. More information will be coming soon, including regulator webinars, so stay tuned for the official launch!