

Product Standards Committee
Call Summary
July 27, 2021

Agenda Item 2. In response to a referral from the Governance Committee, discuss draft language to address two statutory conflicts in Colorado. Colorado has a state statute that limits the exclusion from policy benefits because of death by suicide to one year and a state statute that prohibits gender as a rating characteristic for individual long-term care insurance rate schedules.

The Compact Office provided proposed suggestions to amend the Reinstatement Provision and the Suicide Provision in the life insurance Uniform Standards. The proposed would keep the two-year provision and provide that if applicable law in the state where the policy is delivered requires a shorter period, the shorter period shall apply in that state. The Chair asked if there were any comments from the members. One member commented that an option was to change the two-year exclusion period in the Standard to a one-year suicide exclusion period. Another state asked for clarification on whether the Reinstatement provision was required which was later confirmed such a provision is required. The Chair asked members to review the drafts for discussion on the next member call.

The Compact Office provided a draft to address gender as a rating characteristic in individual long-term care insurance rate filing standards to require that the filing follow state law regarding the use of rating characteristics. The draft would amend the Additional Submission Requirements for Initial Rate Filings to require that the filing follow state law regarding the use of rating characteristics. The Chair asked for comments. Utah commented that there would need to be a requirement to certify that rate schedules were equivalent. The Chair asked members to review the draft and to submit comments before the next member call.

Agenda Item 3. Finalize review of the *Additional Standards for Qualifying Events for Waiver of Premium Benefits for Total Disability and Other Qualifying Events* in response to ACLI letter.

The PSC was asked by the Management Committee to review the ACLI letter and provide a recommendation. The request was discussed on the July 13th call. The Chair asked the PSC members about the first request to delete the Pre-Existing Condition provision. The Compact Office provided background that the same request was considered by the PSC in 2019 and no change was recommended. There was no objection from the members. Oregon questioned the need for the provision. Maryland said that it was for clarification as insurers would review conditions during the underwriting process before a policy would be issued.

The Chair asked the PSC members about the second request to delete the definition of disability from the list of qualifying events. There were no objections.

Oregon raised some additional questions. The Chair said the PSC was only asked to review the comments in the ACLI letter. He asked the Compact Office to follow up with Oregon.

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Agenda Item 4. Prepare for August 10 public call

- a) Items on the Identification of Requested Uniform Standards Development list and Remaining Items From the 2018 Prioritization List
- b) Report of Five-Year Review Changes for Group Term Life and Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities
- c) Referral from the Governance Committee

The Chair went over the items on the agenda for the public call and asked if there were comments. Maryland asked for background on the request to increase the percentage of cash value for the death benefit in the *Additional Standards for Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities*. The Chair asked the Compact Office to respond to Maryland.

Agenda Item 5. Any Other Matters

The Chair noted that the next meeting of the PSC will be the public call on August 10th. There were no other matters.