

Product Standards Committee
Call Summary
August 24, 2021

Agenda Item 1. Roll Call

Jason Lapham, the Chair of the Product Standards Committee (PSC), welcomed Andria Seip of Iowa as the new Vice Chair.

Agenda Item 2. Finalize for public comment the recommendation for Uniform Standards Development Prioritization for 2022

Jason Lapham began the discussion on assigning priorities to the requests for new and amended uniform standards. The Chair suggested that requests for new standards could be considered higher priority. The first request was for new uniform standards for group whole life insurance. There were also requests for a graded death benefit standard for individual and group term life insurance. The PSC members agreed that these requests could be considered together. The next two requests were for new standards for buy sell individual disability insurance and key person individual disability insurance. Karen Schutter provided background that these two standards were discussed when the individual disability income standards were first developed, but the PSC did not move forward with them. Andria Seip, the Vice Chair, suggested that the PSC consider the two disability standards together. She proposed that the PSC consider the group whole life standards as a high priority and then the two disability income standards. Jason Lapham asked for comments from PSC members. There were no comments.

Andria Seip suggested that the PSC go through the rest of the list. The PSC assigned medium priority to an annuity benefit feature and an individual life standard for guaranteed living benefits. The request for amendments to the group term life standards to allow for non-employer groups was pended until the Rulemaking Committee completes its work. The remaining requests were assigned low priority as the PSC members felt there was a need for additional information. There was discussion as to whether the members were ready to release the list for the public call. Vermont agreed that the list was ready for the public call. The Compact Office will revise the list to add the suggested priorities for a final review by the Chair and Vice Chair. The public call will be scheduled for September 14, 2021.

Agenda Item 3. Finalize for public comment proposed draft amendments to address two meaningful 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 Chair asked if there were any comments on the proposed amendments. As there were no comments, the Vice Chair asked if the drafts were ready for the public call. Indiana agreed. There were no objections. The draft amendments will be prepared for review at the public call on September 14.

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Agenda Item 4. Continue to work on the Report of Five-Year Review Changes for Group Term Life and Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities

The PSC ran out of time and will continue work on the draft Report at its next regulator meeting.

Agenda Item 5. Any Other Matters

The Chair asked if there were any other matters. The Compact Office stated that the Actuarial Working Group met on August 17 to discuss the ACLI request to change the definition of incidental guaranteed minimum death benefits in the *Additional Standards for Guaranteed Minimum Death Benefits for Individual Deferred Variable Annuities*. The AWG members developed three questions. These questions were sent to the ACLI and are listed in the AWG call summary on the Compact website.

The next meeting of the PSC will be a public call on September 14.