



DATE: October 19, 2021

TO: Management Committee

FROM: Product Standards Committee

RE: PSC Recommendation for Prioritization of Uniform Standards Development for 2022

The Product Standards Committee submits its recommendation for the prioritization of Uniform Standards Development. For 2022, the system for the annual identification and prioritization of new, or amendments to, Uniform Standards is being implemented. This process allows input by Commissioners, regulators, and legislators, consumer representatives, insurers, the Legislative Committee, Consumer Advisory Committee, the Industry Advisory Committee, other interested parties, or the Compact Office.

By formalizing an annual process, the Compact members can determine if the prioritization of Uniform Standards development is aligned with the organization's strategic initiatives and incorporate with budget planning if there are implications to the operating revenues or expenses of the organization.

The Uniform Standards Identification List for 2022 Prioritization (2022 Identification List) was compiled in early July based on Uniform Standards Development requests submitted by June 30, 2021, along with the Uniform Standards remaining for development from the 2018 Uniform Standards Prioritization list.

The Product Standards Committee (PSC) held public calls on August 10, 2021, and September 14, 2021, to receive comments and feedback to assist in the prioritization of the Uniform Standards on the 2022 Identification List. The PSC reviewed the comments from the public calls and prepared prioritization of the Uniform Standards for development in 2022 by high, medium, and low. The PSC also noted where further discussion on the item would be needed before a recommendation to draft the requested standard was determined. One request was added to the list after the August 10, 2021, call. There were no comments on the proposed prioritization of the items on the list at the September 14, 2021, call.

Please contact Jason Lapham of the Colorado Division of Insurance, Chair of the Product Standards Committee, or Susan Ezalarab, the Compact Office's Regulatory Coordinator Consultant if there are questions.

PSC Draft Recommendation for Prioritization of Uniform Standards Development for 2022
September 24, 2021

Product Line	Uniform Standard Request	Description of Request	Reason / Explanation	New or Amend	Requestor
Group Life	Group Whole Life Uniform Standard	New product standards for group whole life insurance policy and certificate. These standards could closely align with the individual whole life standards making development more efficient.	Develop a full suite of group life product standards to include whole life and guaranteed issue products. Group whole life insurance products are issued in every state today.	New High Priority	New York Life ACLI
Group Life	Additional Standards for Graded Death Benefit Group Whole Life and Term Life	New product standards for graded death benefit features for group whole life or term life	Most groups want guaranteed issue products with graded benefit features in their offerings.	New High Priority	New York Life ACLI
Individual Life	New Provision in individual term life Uniform Standards allowing installment payments graded death benefit	New product standards for graded death benefit feature for individual term life insurance policies	This product designed to offer death benefits to underserved immigrant customers has a rider to cover family members in the US and abroad which has a return of premium feature to protect against anti-selection. Term product enables lower cost. Successfully approved in 8 states, but graded death benefit feature of rider does not fit within current compact standards	New High Priority – Draft when doing Group	Swiss Re
Individual Disability Income	Individual Disability Income Key Person Uniform Standard	New uniform product standards for policies that are individually underwritten, including policies that are marketed through employer and association groups ("multi-life" plans) for Individual Disability Key Person Replacement Insurance Policy Standards. Based on the existing Individual Disability Business Overhead Expense Insurance Policy Standards.	The Compact has already adopted uniform standards for disability buy-out (DBO) application and rate filings. This request is for the adoption of standards for the underlying policies. These products have already been filed and approved in the Compacting states. There is a need for uniform product standards.	New High after Group Whole Life	ACLI

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Individual Disability Income	Individual Disability Income Buy-Sell Uniform Standard	New uniform standard for policies that are individually underwritten, including policies that are marketed through employer and association groups ("multi-life" plans) for Individual Disability Buy-Sell Insurance Policy. Based on the existing Individual Disability Business Overhead Expense Insurance Policy Standards.	The Compact has already adopted uniform standards for key person replacement application and rate filings. This request is for the adoption of standards for the underlying policies. These products have already been filed and approved in the Compacting States. There is a need for uniform product standards.	New High after Group Whole Life	ACLI
Individual Annuities	Additional Standards for Acceleration of the Accumulation Value	New standard that allows a one-time lump sum withdrawal of an amount up to the Accumulation Value for qualifying events including confinement to a nursing facility, assisted living facility, or hospital for a certain period.	This benefit feature is allowed in Compacting States (other than MA and OR). For example, this form is approved through Arkansas under SERFF Tracking #ALLD-130691719.	New Medium Priority	Allianz
Individual Life	Additional Standards for Guaranteed Living Benefits for Variable and Non-Variable Adjustable Life Insurance Policies	2018 Prioritization List approved by Management Committee but not yet addressed	2018 Prioritization List approved by Management Committee but not yet addressed	New Medium Priority	2018 List Pacific Life
Individual Life	Indexed-Linked Death Benefits for Whole Life Insurance Policies	2018 Prioritization List approved by Management Committee but not yet addressed	2018 Prioritization List approved by Management Committee but not yet addressed	New Low Priority – Discuss before drafting	2018 List Pacific Life

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Product Line	Uniform Standard Request	Description of Request	Reason / Explanation	New or Amend	Requestor
Individual Life	New Provision in individual life Uniform Standards allowing installment payments for death benefit proceeds	2018 Prioritization List approved by Management Committee but not yet addressed	2018 Prioritization List approved by Management Committee but not yet addressed	Amend Low Priority – Discuss before drafting	2018 List Pacific Life
Individual Products (Application)	Amend Variability of Policy Form Provisions to Accommodate Agile Systems and Digital / Electronic Delivery	2018 Prioritization List approved by Management Committee but not yet addressed	2018 Prioritization List approved by Management Committee but not yet addressed	Amend Low Priority – Discuss before drafting	2018 List Pacific Life Transamerica
Group Products	Amendments for Non-Employer Group Terminology and Provisions for to Existing Group Uniform Standards	Amendments to eight group life Uniform Standards for non-employer groups, that are permitted in the jurisdiction where the policy is delivered or issued for delivery. The policies may provide benefits to eligible group members and eligible dependents of such group members, as permitted by the jurisdiction of the group situs. The proposed amendments would expand the scope from traditional employer groups to eligible non-employer groups that are permitted in a particular state or jurisdiction.	This request would allow insurers to more efficiently file for approval of a wider variety of group term life insurance products which in turn would benefit those consumers who are unable to obtain group term life insurance through employers. These products have been filed and approved in Compacting States.	Amend Low Priority – wait for Rule-making Comm.	ACLI New York Life