



DATE: May 27, 2021

TO: Management Committee

FROM: Product Standards Committee

RE: Report of the Product Standards Committee Activities for the May 27th Management Committee Meeting

The Product Standards Committee (PSC) is working on an assignment from the Management Committee to respond to a request from South Carolina to amend the *Rate Filing Standards for Individual Long-Term Care Insurance* to lower or eliminate the 15% threshold such that more in-force rate increase requests on Compact-approved products are subject to advisory review, instead of approval, by the Compact Office.

The PSC has developed a list of viable options for consideration by the Management Committee and Commission as well as pros and cons associated with each option. The PSC held a public call to receive comments on these options, pros and cons on May 18th and expects to complete its work ahead of the joint meeting of the Management Committee and Commission scheduled for June 29th.

The PSC plans to receive the Compact Office Report summarizing the changes requested for the Phase 9 of the five-year review process for the group term life Uniform Standards and an individual annuity standard for guaranteed minimum death benefits. The PSC expects to hold a public call to receive comments on the Compact Office report. The PSC will then draft its recommendation to the Management Committee on proposed changes, if any, to these Uniform Standards under the five-year review.

The PSC is also monitoring the work of the Actuarial Working Group (AWG), which has developed a draft framework for interim value calculation methodologies as part of possible standards for registered index-linked annuity contracts.

The Compact Office recently issued notice the PSC will be making a recommendation this fall on a proposed prioritization of Uniform Standards development for 2022. Requests for new or amended Uniform Standards should be made by June 30th so they may be included in the identification list that will be considered by the PSC for prioritization.

The PSC also stands ready to respond to other requests from the Management Committee and the Commission regarding uniform standards development. 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.