



DRAFT ---- STRATEGIC PLAN 2020 – 2023 ---- DRAFT
CIRCULATED FOR COMMENTS

EXECUTIVE SUMMARY

For almost 20 years, the Interstate Insurance Product Regulation Compact (“Insurance Compact”) has brought states together to achieve a common and collective goal of improving insurance product regulation through uniformity and consistency in regulatory requirements and review. With a successful implementation and years of sustained growth in member states, Uniform Standards, filing companies and product approvals, the time is now to set a long-term strategic course for this important organization which serves as an instrumentality of all of our Compacting States.

The Insurance Compact and its Commission and Insurance Compact Office have evolved beyond its start-up years. With 46 Compacting States and the vast majority of eligible companies of all sizes having Compact-approved products in the marketplace, the Insurance Compact has become woven into the fabric of state-based insurance product regulation for annuities, life, long-term care and disability income insurance.

The Insurance Compact’s member-driven strategic plan is organized by three overarching priorities supported by nine objectives. The plan further outlines 24 action items to accomplish these priorities and objectives over the coming years.

PRIORITY I: Uniform Standards States Support and Companies Willingly Use

- Objective 1:* **Robust** – Reflect strong consumer protections
- Objective 2:* **Relevant** – Reflect product offerings available in Compacting States
- Objective 3:* **Reasonable** – Reflect product requirements that are not unduly prescriptive

PRIORITY II: Nationally Recognized Regulatory Review Process

- Objective 1:* **Responsive** – Provide prompt review and turnaround times
- Objective 2:* **Reliable** – Provide consistent, thorough quality reviews
- Objective 3:* **Regulatory Collaboration** – Provide information and processes working with Compacting States to facilitate their state market and financial regulatory functions with respect to Compact-approved products

PRIORITY III: Resource for Compacting States, Regulated Entities and Consumers

- Objective 1:* **Responsible** – Provide excellent and accountable information and services
- Objective 2:* **Respected** – Retain qualified and experienced staff
- Objective 3:* **Ready** – Provide proactive information on Compact activities and be an accessible source of information

INTRODUCTION

States have long recognized the intrinsic value of working together to address matters transcending state borders. Society is more connected than ever not just locally, regionally or nationally but globally placing demands on all levels of government for greater cooperation and uniformity in certain aspects of regulation.

State-based regulation of insurance is an excellent example of recognizing the need to create a common thread among states with respect to laws, rules and regulatory requirements governing the business of insurance. Chief insurance regulators were on the cutting edge of cooperative regulation when they created one of the oldest national associations close to 150 years ago.

For nearly a century and a half, the National Association of Insurance Commissioners (NAIC) has stepped up to the regulatory moment with pioneering solutions whether it be model insurance laws and regulations, manuals and handbooks for uniform guidance and procedures, a system for statutory reporting, or a national accreditation program. The Insurance Compact is a successful implementation of a pioneering solution created by the NAIC working closely with many stakeholders including state legislators through the National Conference of State Legislatures (NCSL) and the National Council of State Legislators (NCOIL).

The external motivation for creating the Insurance Compact intensified when starting in the nineties, states faced a serious challenge to their regulatory authority as the Gramm-Leach-Bliley Act of 1999 repealed the Glass-Steagall Act of 1933, removing barriers in the market among banking, securities, and insurance entities, allowing them to compete and consolidate. Insurance product approval faced a patchwork of laws, filing requirements and approval review times across states. Insurance companies, especially ones selling retirement protection insurance products, were seeking an optional federal charter and pre-emption of state product regulation on the grounds that lack of uniformity and speed-to-market were competitive barriers to competing with federally-regulated banking and securities products and that life insurance, annuities, long-term care insurance and disability income insurance were conducive to uniform product regulation.

In the early 2000s, the NAIC and its members convened several modernization efforts. With respect to asset-based product regulation, they focused on a state-based interstate compact or agreement to developing and adopting Uniform Standards and establishing the Interstate Compact Office as a central clearinghouse for submission, review and approval on behalf of the Compacting States. With the endorsement of NCSL, NAIC and NCOIL, the Insurance Compact was created in 2004 when enacted by Colorado and Utah and became operational in 2006 after being adopted by 27 Compacting States (meeting both operational thresholds for majority of jurisdictions and 40% of nationwide premium volume). Shortly thereafter, the Commission adopted its governing documents and procedures as well as its first Uniform Standards. In mid-

2007, the Insurance Compact Office approved the first product filing on behalf of the participating Compacting States.

Today, 44 states plus the District of Columbia and Puerto Rico (46 Compacting States comprising more than 75% of the nationwide premium volume) have enacted the Insurance Compact. As a collective body, the Commission has adopted 100 Uniform Standards to date for individual and group life insurance, annuities, disability income and individual long-term care insurance products. The Insurance Compact Office, which currently has 13 employees and 2 consultants, has approved more than 8,000 insurance products from more than 300 insurance companies on behalf of the Compacting States since 2007.

The Insurance Compact, through the dedication and ingenuity of the Compacting States, has become a successful interstate legislative and regulatory partnership for meaningful uniform product regulation of mobile-borne insurance products. The impact of the Insurance Compact cannot be understated as it has brought regulators across the nation together to develop and embrace detailed product form and actuarial standards which in many cases are more specific and stringent than models, state laws and regulations. This impact has been felt by filing companies, producers and consumers as it has transformed product development, filing, programming, deployment and delivery of insurance products to market in a markedly more efficient, consistent, time-saving and cost-effective manner.

For the first several years, the Insurance Compact could be considered a regulatory start-up as several states and insurance companies were early adopters as evidenced by the short period between creation and operationalization. Even with the start-up capital and work product from the NAIC, significant effort went into building the foundation including robust Uniform Standards for multiple product lines, a state-of-the-art product operations platform and transparent review and rulemaking procedures.

Like many start-ups, the Insurance Compact has faced character-building challenges as it put in place procedures to facilitate the ability of states to exercise their sovereign rights to opt-out of a Uniform Standard when necessary, or as it weathered the ups and downs of product development and regulatory change cycles while growing its self-generated revenue or as it worked to inform courts of the background and principles of the Insurance Compact, which like other new regulatory paradigms is being scrutinized through third-party litigation.

Like state-based insurance regulation in an ever-evolving global insurance marketplace, the Insurance Compact must look forward to ensuring it can continue to meet the needs of its Compacting States and the regulated entities and consumers they serve. The Commission has engaged in a year-long effort to develop a strategic plan which will serve as a template to guide the organization for the next three years and set a course that can be regularly and consistently adjusted to meet the needs and concerns of the Compacting States, company filers and important stakeholders for many years ahead.

The Commissioners, Directors and Superintendents of the Compacting States have collectively set these priorities and objectives along with action items to measure progress and achievement during this next stage in the Insurance Compact's ongoing development.

STRATEGIC PLANNING PROCESS OVERVIEW

With the Insurance Compact and Commission being in operations for 13 years, the Commission Officers have undertaken a strategic planning process to bring the 46 members together to set a strategic course as an established, maturing organization. The primary goal of this effort is to develop a member-driven plan with strategic priorities, objectives and action items to lead us over the next three years or more.

A Strategic Planning Committee was established to provide guidance with respect to the strategic planning process. The Strategic Planning Committee was comprised of the Officers (Director Jillian Froment, Superintendent Beth Dwyer, and Director Chlora Lindley Myers) and their designated representatives (Amanda Baird (OH), Matt Gendron (RI) and Mary Mealer (MO)). The Strategic Planning Committee also had a representative from the Legislative Committee, Consumer Advisory Committee and Industry Advisory Committee selected by the members of the respective committee and included Indiana Representative Matt Lehman of the Legislative Committee, Roger Sevigny of the Consumer Advisory Committee and Anne Correia (Allianz) of the Industry Advisory Committee.

The Commission conducted a listening phase for the first part of the year including an online survey of Commissioners and regulators, members of the Legislative Committee, Consumer and Industry Advisory Committees and company filers to receive input and their respective perspectives on strengths, weakness, opportunities, risks and improvements for the organization. The Officers held a public strategy session at the April in-person meeting where there were further comments and discussion. The Insurance Compact Office team also held a separate full day in-person team meeting devoted to strategic planning.

In June, the Proposed Compact Strategic Planning Framework was published to the Commissioners and all interested regulators and parties. The proposed Framework set forth draft priorities, objectives and goals along with a summary of comments from members, filers, consumers and legislators. The Commission solicited written comments on the Framework. During the mid-year meeting of the NAIC, the Insurance Compact Officers held a meeting to receive feedback from Commissioners on the draft priorities.

During the August in-person meeting, the Officers went over the Framework in detail. At this meeting, the Commission expressed its general agreement with the three priorities. This draft Strategic Plan is now subject to written comments until November 1st. Further discussion will be held during the Management Committee call on October 28th and at the in-person meeting in Austin on December 9th with the goal of finalizing and adopting the Strategic Plan.

PRIORITY I: UNIFORM STANDARDS STATES SUPPORT AND COMPANIES WILLINGLY USE

Objective 1: **Robust** – Reflect strong consumer protections

Objective 2: **Relevant** – Reflect product offerings available in Compacting States

Objective 3: **Reasonable** – Reflect product requirements that are not unduly prescriptive

Strategic Synopsis

Uniform Standards that states support and companies willingly use has been a long-standing focus and value proposition of the Insurance Compact and its Commission. This priority and its objectives are framed to meet today’s dynamic regulatory landscape and marketplace which has rapidly changed. The Uniform Standards must continue to be robust and reflect strong and detailed consumer protections, the hallmark of the state-based system of insurance regulation. Just as importantly, the Uniform Standards must be relevant and reflect product offerings that are available today in the several Compacting States. Finally, the Uniform Standards must reflect reasonable product requirements that are not unduly prescriptive or restrictive.

Strategic Background

Since its inception, the Insurance Compact has operated as a voluntary legal vehicle for the development of Uniform Standards which have the force and effect of binding state law in participating Compacting States for those product filings submitted, reviewed and approved by the Insurance Compact Office. In surveying the members and stakeholders, the ability of states to collegially exchange information and share expertise while mutually developing Uniform Standards with meaningful input from legislators, consumers and their representatives, company filers and industry representatives is a key strength of this transformative regulatory paradigm.

With over 100 adopted Uniform Standards to date and more in the rulemaking process, Compacting States have unraveled their differences and created uniformity across 46 Compacting States to date for form and actuarial requirements for these products. Companies have also shown their disposition to embracing a higher degree of stringency in certain product requirements in exchange for uniformity and speed-to-market in the filing, programming and implementation of a product across the Compacting States. Further, the Insurance Compact has proven the ability of Compacting States to exercise the sovereign opt-out process when state-specific factors outweigh the benefits of uniformity and participation.

Just within the last 10 years, we have seen swift market and regulatory developments for Compact-authorized product lines. Today, the traditional one-time interaction with a life insurance company to purchase an insurance policy with the next interaction being with the beneficiary(ies) years or decades in the future is no longer the competitive business model. In an ever-increasing digital, on-demand, sharing, gig economy, insurance companies are looking for

ways to satisfy consumer needs through their life stages not just death. Companies and Compacting States are witnessing an evolution in the marketplace driven by smart technology, disruptive start-ups, prolonged low-interest rate environment and changing demographics of insurance consumers, among others. While insurance companies have long provided ways to meet the mortality risks, companies are now finding ways to meet the evolving longevity and morbidity risks and needs facing consumers in this country. Regulatory changes are also proliferating such as the upcoming transition to Principles-Based Reserving, reworking of suitability standards, the addition of value-added services and non-insurance benefits to policyholders, and the focus on the stabilization of the long-term care insurance marketplace, among others.

Strategic Survey Feedback

The Compacting States, through the Insurance Compact, are positioned to proactively address the rapid and emerging changes now and on the horizon for state-based insurance product regulation. The Uniform Standards are a critical tool for Compacting States to efficiently and in unison develop robust, relevant and reasonable regulatory standards to address insurance products that are not bound by state lines or risks.

During the initial phase of strategic planning, several comments were offered from Commissioners, regulators, state legislators, consumer and industry representatives, and company filers focused on Uniform Standards and the development process. Several members commented Uniform Standards drafting meetings/conference calls of the Product Standards Committee should be open to all regulators in Compacting States and not just Committee-member regulators. Consumer representatives also asked for more public transparency of the drafting process. Both Compacting States and company filers focused their comments on expanding the scope of Uniform Standards to include among others, incidental and supplemental benefits, product marketing materials, other group types, and in-force long-term care premium rate increase requests for state-approved products. Another category of comments asked for more flexible processes to implement or change Uniform Standards to react to the changing markets, regulatory developments and product designs or correct oversight or omission in Uniform Standards.

There was also a recognition the Insurance Compact's rulemaking process, especially when developing Uniform Standards, is lengthy and rigorous though provides numerous opportunities for participation and transparency to accommodate the needs of individual states and of the industry. Compacting States and interested parties commented on the tricky balance of competing needs. This inherent tension is amplified when Compacting States must come together through negotiation, consensus and alignment to embrace Uniform Standards that in all likelihood will not exactly match their respective state laws, regulations, bulletins or other state product content requirements.

Priority One: Action Items

The Commission has set forth the following action items to fulfill this priority and objectives for this Strategic Plan period.

1. Provide wider and easier participation by all Compacting States in the drafting process for Uniform Standards development including discussions of the Product Standards Committee.
2. Provide wider and easy-to-follow public notice and detailed information with respect to Uniform Standards development for members, interested parties and constituents / stakeholders.
3. Provide guidance for Compacting States and interested parties to be used in the Uniform Standards development process for drafting, submitting and considering proposals or changes to Uniform Standards to focus on the robust, relevant and reasonable objectives.
4. Develop procedures to expand the Uniform Standards to accommodate group types available in the Compacting States for the authorized product lines (other than the existing employer-employee group type).
5. Review current five-year review process and activities to recommend changes to make it a more iterative, flexible and efficient review of the Uniform Standards focused on the robust, relevant and reasonable objectives.
6. Develop a listing and prioritization for the development of new Uniform Standards including for new product lines (i.e., group whole life) and emerging products and benefit features for existing product lines (i.e., indexed-linked variable annuities) to reflect product offerings accepted by the majority or more of Compacting States.
7. Develop groups within the Compacting States, state legislators, consumer representatives and industry / company representatives to provide product-specific or issue-specific expertise in the Uniform Standards development process.
8. Identify specific areas of product regulation, where uniformity would be conducive to the goals of Compacting States and state-based insurance regulation and determine if they are within the existing authority of the Insurance Compact.

PRIORITY II: Nationally Recognized Regulatory Review Process

Objective 1: **Responsive** – Provide prompt review and turnaround times

Objective 2: **Reliable** – Provide consistent, thorough quality reviews

Objective 3: **Regulatory Collaboration** – Provide information and processes working with Compacting States to facilitate their state market and financial regulatory functions with respect to Compact-approved products

Strategic Synopsis

The priority to maintain a nationally recognized regulatory review process is constant and at the same time, evolving to meet the regulatory and market conditions facing Compacting States, company filers, and policyholders they respectively serve. The Commission, through its Insurance Compact Office, must be responsive by providing prompt review and turnaround times for Compact-approved products. It further owes a duty and its objective must always be to provide consistent, thorough and quality reviews. The Commission must focus on regulatory collaboration such that Compacting States are provided real-time, relevant information and have processes to work with the Insurance Compact Office and their fellow members to facilitate the state market and financial regulatory functions with respect to Compact-approved products.

Strategic Background

In addition to developing Uniform Standards, another key purpose of the Insurance Compact is to create a central clearinghouse for the submission, review and approval of products. This operational structure has developed over time through the Commission's investment in a decidedly qualified professional staff and member-developed procedural framework. The Insurance Compact Office has form reviewers and credentialed actuaries on staff who perform prior review of product filings to ensure compliance with the Uniform Standards. The Commission has developed robust product operations through its Operating Procedures, Filing Information Notices, and instructions to filers.

One of the first activities when the Commission became operational was to make an investment in the NAIC's System for Electronic Rate and Form Filing (SERFF) to develop a Compact instance where companies could submit one filing on behalf of all Compacting States and the selected Compacting States could view the filing and follow the Insurance Compact Office's review. The Commission's regulatory review process for pending, approved, withdrawn and disapproved product filings is completely transparent to regulators in Compacting States through SERFF so they can see completed checklists, correspondence and other regulatory information. This transparency is available to everyone for Compact-approved product filings through the use of SERFF Filing Access which provides easy access to supporting information in addition to the approved product forms.

The Commission and its Insurance Compact Office have displayed their willingness to directly confront issues challenging Compacting States and company filers with respect to transitioning to a central regulatory review process. During its initial years, the Commission developed procedures and SERFF functionality to address how forms and products approved by the Commission would be used with forms and products approved by the respective Compacting States, now commonly referred to as mix and match. The Commission developed tools and processes to address compliance issues including a pre-filing communications system, online interactive reviewer checklists, sample filing templates and informational charts.

Strategic Survey Feedback

The overall feedback is the Insurance Compact Office welcomes open communication and provides useful information and guidance. Several Compacting States suggested more active and affirmative communication from the Insurance Compact Office to regulators about product filing and review activities, including company or filing specific issues or concerns. Compacting States also suggested having more tools within the Compact instance of SERFF to quickly understand the filing from their non-reviewer perspective. Compacting States also wanted to see more assistance and tools to understand if companies are using mix and match for its intended purposes and not to game the system through forum shopping.

Company filers appreciated the opportunity to have open dialogue with the form reviewers and actuaries before, during and after a product filing submission and commented consistency should be a key objective especially as more reviewers join the operations. Several company filers valued the clarity of correspondence with the Insurance Compact Office on compliance questions and issues in that it is based on requirements clearly set forth in the Uniform Standards. Company filers reiterated that turnaround time -- the days between filing and approval -- is an overarching factor for their entire enterprise.

Other comments included developing a process to file innovative products with the Insurance Compact Office working in close conjunction with the Compacting States and facilitating the exchange of information with respect to guidance to filers on what, if any, additional forms are required to be filed with Compacting States for a Compact-approved product (e.g., advertising; illustrations; sales disclosure forms, etc.).

Priority Two: Action Items

The Commission has set forth the following action items to fulfill this priority and objectives for this Strategic Plan period.

1. Create a new position for a member services coordinator to work closely with regulators in Compacting States to provide regular and consistent communications on a variety of Compact matters including updates and issues in the regulatory review process.

2. Identify enhancements within the Insurance Compact instance in SERFF or the regulatory review processes to better assist the Compacting States in easily identifying the product, product features and other pertinent information of a Compact filing and work with SERFF to ensure a smooth transition for the Insurance Compact instance during its reengineering project.
3. Partner with the NAIC to develop automated tools for the Insurance Compact Office, company filers and regulators to create useful reports and search functionality as well as business intelligence to increase consistency and compliance with the Uniform Standards at the time of filing.
4. Provide a continuing path for expedited review for product filings meeting eligibility criteria to optimize compliant filings.
5. Develop a program to create resource groups of Compacting State regulators with form review or actuarial experience in the Insurance Compact's authorized product lines to train and be available as a resource to the Insurance Compact Office in the regulatory review process.
6. Provide samples of simplified forms or provisions deemed consistent with the Uniform Standards for use by company filers when submitting a Compact filing.
7. Study and analyze the types of mix and match for product filings over the last three years and provide a report to the Commission with detailed information and recommendations to improve the process and further minimize the need for mix and match and include guidance, with input of Compacting States, regarding whether additional forms are required to be filed with Compacting States for a Compact-approved product.
8. Develop a process for working with Compacting States willingly wanting to incubate a product filing through the Insurance Compact filing process where aspects of the product (benefit or actuarial) are novel to determine if they can be filed under existing or future Uniform Standards.

PRIORITY III: Resource for Compacting States, Regulated Entities and Consumers

Objective 1: **Responsible** – Provide excellent and accountable information and services

Objective 2: **Respected** – Retain qualified and experienced staff

Objective 3: **Ready** – Provide proactive information on Compact activities and be an accessible source of information.

Strategic Synopsis

The Insurance Compact was designed as an innovative regulatory exemplar for states to collaborate, exchange and leverage information and services collectively rather than state-by-state. Pursuant to its enumerated purposes, the Commission, through its Insurance Compact Office, has a fundamental obligation to serve as a resource for Compacting States, their regulated entities and consumers, respectively, when working with the products authorized under the Insurance Compact. A critical objective is to be a responsible resource for providing excellent and accountable information and services to and on behalf of member states and those they serve. To meet this obligation, the organization must be a respected resource retaining qualified and experienced staff. It also must be a ready resource providing proactive information on Compact activities and an accessible source of product information and expertise.

Strategic Background

The Commission provides transparency in its processes and rulemaking in several ways. First, it maintains all adopted Uniform Standards, including previous versions and deliberations, on the Rulemaking Record of its website. The Record serves as an information tool for Compacting States, company filers and consumers to view the detailed requirements that product filings must undergo in a review before they can be approved. Even before the Commission adopts a Uniform Standard or any other rules, the website's Rulemaking Docket hosts the initial drafts and detailed information throughout the entire drafting and consideration process. The Commission website also contains information targeted to each constituent with the most detailed information geared towards company filers to guide them through the filing process and maximize a product filings level of compliance.

The Commission, through its Insurance Compact Office, also conducts outreach on a regular basis. Webinars and conference calls are its most common form of outreach, including holding orientation calls for new Commissioners and senior staff in the Compacting States, sessions for department staff in Compacting States and sessions geared towards regulators, company filers, state legislators, and consumer representatives. The Insurance Compact Office team also attend regulator and industry conferences to make presentations about various aspects of the Compact. The Insurance Compact Office has had several occasions to work with regulators in its

Compacting States regarding the application of the Uniform Standards and their respective state-specific laws or product filing specific questions.

The Insurance Compact Office has also worked closely with states including ones who have since enacted the Compact legislation and ones who have yet to join to provide information about the Compact and its Uniform Standards. In the past few years, the Insurance Compact Office has also informed courts about the history and principles of this new legislative-regulatory paradigm through participating as an amicus curiae or friend of the court in third-party litigation involving a Compact-approved insurance product where the provision at issue differs between the Uniform Standards and state law.

Strategic Survey Feedback

The general feedback from the many surveys is the Insurance Compact Office is accessible and transparent in its communication with Compacting States, companies and other stakeholder across various channels. However, the Compacting States asked for increased and ongoing training and informational resources about the Insurance Compact, Uniform Standards and the regulatory review process. This request included more user-friendly notices to increase awareness of scheduled meetings and opportunity to submit questions and comments. Several comments also focused on improvements to the website to make it easier to follow developing Uniform Standards and find relevant information.

Priority Three: Action Items

The Commission has set forth the following action items to fulfill this priority and objectives for this Strategic Plan period.

1. Provide regular and ongoing information to Compacting States through weekly, monthly, and quarterly communications and reports about its committee and product operations activities.
2. Provide live and on-demand training programs and tutorials for Compacting States, company filers, and consumer representatives about various aspects of the Compact and offer ongoing training on Uniform Standards and current product development.
3. Convene focus groups of Compacting States (regulators and legislators), industry representatives and company filers, and consumers and consumer representatives to identify informational needs and improvements to the website and Insurance Compact notices.
4. Develop a program to create product line groups led by Insurance Compact Office staff composed of interested regulators, industry and company representatives, consumer representatives and interested parties to discuss current activities and items of interest on a regular basis.

5. Develop a comprehensive professional development program for the Insurance Compact Office team to ensure training in current best practices and developments in respective professional fields and creation of a succession planning strategy.
6. Partner with NAIC, NCOIL, NCSL and Council of State Governments (CSG) to develop a reference book regarding the Insurance Compact to be used as a guide for Compacting States and courts when working with Compact-approved products.
7. Work with the NAIC to restructure the Commission's repayment of start-up capital to maximize the Commission's ability to balance repayment with sustainability over the next ten years.
8. Working with the NAIC, provide regular updates to Committees, Task Forces and Working Groups with jurisdiction over product lines authorized by the Insurance Compact regarding its activities. Working with other state-based organizations including NCOIL, NCSL and CSG, provide regular updates on the Insurance Compact at its meetings or through other forms of targeted communication.

CONCLUSION

This member-driven strategic plan sets out the pattern for the Commission, and its Insurance Compact Office, to follow over the next three years or more. This plan demonstrates a commitment of Compacting States, in partnership with interested and dedicated state legislators, regulated entities, industry representatives and consumer representatives, to firmly address the patchwork of state-by-state asset-based insurance product regulation by continually knitting together a framework for uniformity in product requirements with a first-class regulatory review process. Through the priorities, objectives and action items set forth in this Strategic Plan, the Insurance Compact will continue to thread the needle on behalf of Compacting States to deliver on its purposes, mission and vision so they may continue to serve as a protective regulatory mantle for their respective insurance consumers.

PURPOSES, MISSION AND VISION

The purposes, mission and vision of the Insurance Compact and its Commission provide a long-lasting solid foundation to enable the organization to create its strategic path into the future.

The Interstate Insurance Product Regulation Compact (Insurance Compact) codifies the agreement between states to collectively and collaboratively develop and adopt comprehensive and consumer-oriented Uniform Standards for the form and actuarial requirements for individual and group annuities, life, long-term care and disability income insurance product lines. The Interstate Insurance Product Regulation Commission (Commission) is the joint public agency of Commissioners, Directors, Superintendents in Compacting States and their designated representatives carrying out and overseeing the authority, purposes and duties outlined in the Insurance Compact.

The enumerated purposes of the Insurance Compact are, through means of joint and cooperative action, among the Compacting States:

1. To promote and protect the interest of consumers of individual and group annuity, life insurance, disability income and long-term care insurance products;
2. To develop uniform standards for insurance products covered under the Compact;
3. To establish a central clearinghouse to receive and provide prompt review of insurance products covered under the Compact and in certain cases, advertisements related thereto, submitted by insurers authorized to do business in one or more Compacting States;
4. To give appropriate regulatory approval to those product filings and advertisements satisfying the applicable uniform standard;
5. To improve coordination of regulatory resources and expertise between state insurance departments regarding the setting of uniform standards and review of insurance product covered under the Compact;
6. To create the Interstate Insurance Product Regulation Commission; and
7. To perform these and other related functions as may be consistent with the state regulation of the business of insurance.

The mission of the Insurance Compact and its Commission has not wavered since its members gathered around the inaugural table in 2006 to be an innovative vehicle formalizing the joint and cooperative action among compacting states, leveraging regulatory resources and expertise to establish uniform standards that strongly protect the interest of consumers and form the foundation of a central clearinghouse for prompt review of asset-based insurance products.

The vision established by the Commission over a decade ago continues to be relevant today. The Insurance Compact and its Commission are transforming the way insurance products are filed, reviewed, and approved in the United States. Its streamlined processes provide speed-to-market for the insurance industry, thus affording consumers quicker access to more competitive insurance products. By promoting uniformity through application of national product standards embedded with strong consumer protections, the Insurance Compact and its Commission are meeting the demands of consumers, industry and regulators in the ever-changing, global financial marketplace.