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## MEMORANDUM

**TO:** IIPRC Management Committee

**FROM:** Product Standards Committee

**DATE:** July 13, 2010

**SUBJECT:** New and amended individual life insurance and annuity standards

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The Product Standards Committee (“Standards Committee”) of the Interstate Insurance Product Regulation Commission (“IIPRC”) is charged with formulating a plan for review and adoption of uniform product standards and with finalizing proposed drafts of uniform product standards. In carrying out its charge, the Standards Committee has finalized two new uniform standards and four amendments to existing uniform standards.

**The Standards Committee recommends the Management Committee initiate the rulemaking procedure<sup>1</sup> with respect to the following uniform standards, copies of which are attached:**

- 1. Additional Standards for Graded Death Benefit for Individual Whole Life Insurance Policy Standards;**
- 2. Amendment to Individual Whole Life Insurance Policy Standards;**
- 3. Individual Deferred Paid-Up Non-Variable Annuity Contract Standards (Commonly Marketed as Longevity Annuities);**
- 4. Amendment to Individual Deferred Non-Variable Annuity Contract Standards;**
- 5. Amendment to Additional Standards for Intermediate Period Endowment Benefit Features for Individual Life Insurance Policies; and**
- 6. Amendment to Individual Term Life Insurance Policy Standards.**

The proposed uniform standards and amendments were originally developed by the NAIC National Standards (EX) Working Group. Two of the proposed standards (Items 1 and 3 above) encompass new products or features for individual life insurance or annuities, as applicable. Items 2 and 4 above contain amendments intended to clarify existing standards as they relate to the new products and features. Items 5 and 6 contain amendments intended to provide additional detail on the conditions for Reinstatement. In each of the proposed uniform standards, the Standards Committee took the opportunity to add customary language about mix-and-match and self-certification.

The proposed standards and amendment were subject to public participation by written comment and a teleconference meeting on June 22. Written and oral comments were offered from the Industry Advisory Committee and the Consumer Advisory Committee. The Industry Advisory Committee provided additional written comments on July 9. In general, the Standards Committee incorporated the suggestions offered in public comments into the proposed drafts. The public comments that were not incorporated

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<sup>1</sup> The rulemaking procedure is set forth in the Rule for Adoption, Amendment and Repeal of Rules for the IIPRC.

focus on renaming some of the amended standards as “core” standards. The Standards Committee viewed this suggestion as premature until the existing standards are combined into a single document addressing joint last to die and single premium formats, for example. Further information about the scope of the proposed uniform standards is provided in the attached drafts.