INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION

NOTICE OF PROPOSED RULE

Date Issued: September 8, 2014


1. Purpose of Proposed New Rules: The purpose of these amendments is to revise the individual life insurance and individual annuity Uniform Standards adopted between January 1, 2008 and June 30, 2009 in accordance with the 5-year Commission Review of Rules required by § 119 of the Rule for the Adoption, Amendment and Repeal of Rules for the Interstate Insurance Product Regulation Commission. The procedures adopted by the Management Committee in March 2012 for implementing the 5-year review process limit the scope of review under Section 119 to identifying “the need for continuation, repeal or amendment of the rule based primarily on whether circumstances or underlying assumptions have changed since the last time the rule was adopted, amended or reviewed.” See the Transmittal Memorandum for a more detailed description of the proposed amendments.

a.) The following Uniform Standards are being amended primarily to clarify existing requirements:
   i. Uniform Standard for Individual Immediate Non-Variable Annuity Contract Standards
   ii. Uniform Standard for Individual Immediate Variable Annuity Contract Standards
   iii. Standards for Mortality Table Change
   iv. Standards for Index-Linked Crediting Feature for Deferred Non-Variable Annuities
   v. Uniform Standard for Individual Deferred Non-Variable Annuity Contract Standards
   vi. Uniform Standard for Individual Deferred Variable Annuity Contract Standards
   viii. Standards for Forms Used to Exclude Policy Coverage Based on the Underwriting Process
   ix. Standards for Riders, Endorsements or Amendments Used to Effect Individual Life Insurance Policy Changes
   x. Index-Linked Payment Adjustment Benefit Standards
   xi. Standards for Forms Used to Provide Tax Qualified Plan Provisions for Individual Annuity Contracts
   xii. Additional Standards for Waiver of Surrender Charge Benefits
   xiii. Standards for Riders, Endorsements or Amendments Used to Effect Individual Annuity Contract Changes
xiv. Additional Standards for Index-Linked Crediting Benefit Features for Individual Adjustable Life Policies
xv. Additional Standards for Bonus Benefits (For Individual Deferred Non-Variable Annuity Standards)
xvi. Individual Annuity Application Standards
xvii. Standards for Individual Annuity Application Change Form

b.) The following Uniform Standards are being repealed because they have never been used to review filings and have been replaced by more comprehensive Uniform Standards:

xviii. Individual Flexible Premium Deferred Variable Annuity Contract Standards (with Separate and General Accounts)
xix. Individual Fixed Premium Deferred Variable Annuity Contract Standards (with Separate and General Accounts)

2. Legal Authority: The Commission is authorized to create uniform standards for products by Article IV, Section 2 of the Interstate Insurance Product Regulation Compact, as enacted into law by each compacting state.


4. Where, When, and How Persons May Present Their Views: The Management Committee for the Commission will accept written comment on the Proposed Standards until November 7, 2014. Written comments may be delivered via electronic mail to comments@insurancecompact.org, or via mail to the Management Committee c/o Karen Schutter, 444 North Capitol Street, NW, Suite 700 Hall of States, Washington DC 20001-1509.

5. Where, When, and How Persons May Request a Public Hearing: Written requests for a public hearing on the Proposed Standards must be received no later than September 28, 2014. Persons who may request a public hearing are Commission members, the Management Committee, the Legislative Committee, the Consumer Advisory Committee, the Industry Advisory Committee, or a person or organization representing at least 25 persons affected by the Proposed Standards. Written requests may be delivered via electronic mail to comments@insurancecompact.org, or via mail to the Management Committee c/o Karen Schutter, Executive Director, 444 North Capitol Street, NW, Suite 700 Hall of States, Washington DC 20001-1509.