

**Agenda Item 2. Review items 2-4 of the Substantive Changes in the IIPRC Office Report and Recommendation to Product Standards Committee for Phase 5 of the Five-Year Review.**

- Item 2. Bonus Benefits – Termination Provisions. After discussing that most bonus benefits do not have separate charges and that other annuity benefit Uniform Standards do not require this termination provision, instead leaving it optional, the PSC agreed with the recommendation as written.
- Item 3. Guaranteed Living Benefits – Benefit Base. IIPRC staff reported that the Actuarial Working Group reviewed this request, pursuant to a request made by the Consumer Advisory Committee. The AWG noted no actuarial concerns with the suggested change and did not have any specific concerns related to the request. The PSC reviewed and discussed the request to change the value of the guaranteed benefit base from the initial premium to a percentage of the initial premium, and decided to not recommend this change. Members expressed concerns that the suggested change contained no minimum percentage, nor any parameters to protect the consumer. They noted that there did not appear to be a market need for such a change and expressed concerns about amending the standard for potential and not fully vetted product innovation.
- Item 4. Guaranteed Living Benefits – Benefit Triggers. IIPRC staff reviewed the request for changes to the Additional Standards for Guaranteed Living Benefits and noted that the IAC had drafted revisions that were submitted with their comments for this phase of the 5-Year Review. IIPRC staff provided an overview of draft revisions prepared by the IIPRC office using the event triggers and other provisions in the adopted Additional Standards for Waiver of Surrender Charges as a model. Staff noted that the recommendations for revisions that are developed by the PSC would be exposed for comment prior to final recommendations to the Management Committee. The PSC agreed that the definition of elimination period should include a provision that the maximum period should be 90 days. They agreed that the qualifying events should be the same as those in the Additional Standards for Waiver of Surrender Charges, but with a requirement of inability to perform no more than two ADL's, consistent with recent Uniform Standards.

The Committee began to discuss a timeframe for the maximum allowed qualifying event waiting period, but agreed to return to this discussion on its next call. Members were asked to review the draft as well as approved filings for these products in their state and be prepared to finalize discussion on the next member call.

**Agenda Item 3. Any other matters.**

The PSC will meet October 20, 2015 to continue review of the Substantive Change items in the IIPRC Office's Report and Recommendation to the Product Standards Committee for the Phase Five of the Uniform Standards subject to 5-Year Review.