

Agenda Item 2. Discuss public comments on the PSC proposed recommendations to the Management Committee regarding comments received on the proposed amendments to the Additional Standards for Guaranteed Living Benefits for Deferred Variable and the Additional Standards for Guaranteed Living Benefits for Non-Variable Annuities and prepare final recommendations.

Mary Mealer, Missouri, Chair of the Product Standards Committee (PSC) provided an overview of the two possible revisions to the amendments to the Additional Standards for Guaranteed Living Benefits that were the subject of the April 12th Public Call. The first was to delete the first trigger in the definition of “Qualifying Event” related to confinement in a healthcare facility because it appeared to be inconsistent with the added Scope language that the standards do not apply if the benefit is contingent on the covered person’s receipt of long-term care services or support. The second was to add a sentence to number three in the Variability of Information section to provide a limitation on the extra benefit that is available due to qualifying events so the benefit is incidental to the annuity benefit provided.

Ms. Mealer noted that there were no comments opposing that limitation on the added benefit. Since there appeared to be agreement that the provision would be helpful to make it clear that these benefits are not Long-term care benefits, the Committee agreed to this recommendation.

The PSC then discussed the comments received from the Industry Advisory Committee and the Pennsylvania Insurance Department about deleting the first qualifying event trigger. The Committee noted that the basis for deleting the trigger was to address the inconsistency between the Scope language and this trigger. After discussion about the products with such a trigger that are currently approved in the states and the potential impact of deleting this provision, and noting that it appeared this was a trigger for an opportunity for additional annuity benefits and not long-term care insurance, the Committee agreed to maintain the trigger and alter the amended Scope provision. The PSC considered language suggested by both commenters and agreed to change the second paragraph of the Scope to:

[If the product is described as long-term care insurance or as providing long-term care benefits, such product will be subject to the Interstate Insurance Product Regulation Commission standards for individual long-term care insurance.](#)

Agenda Item 3. Review the request from the Connecticut Insurance Department to Address the War Exclusion Provision in the Uniform Standards for Individual and Group Life Insurance Policies and prepare a final recommendation for the Management Committee.

Ms. Mealer stated that the Management Committee requested that the PSC review a request from Connecticut Commissioner Wade for clarification with respect to the war exclusion provision found in the life insurance Uniform Standards, since Connecticut is considering Compact legislation. She noted that the PSC solicited comments on Connecticut’s request to delete Section (1)(a)(ii) from the provision so it is clear that insureds known to be members of the armed forces

would not be precluded from receiving the death benefit. During the April 12th Public Call of the PSC, there was no opposition to deleting Section (l)(a)(ii) expressed by any interested parties.

The Committee discussed questions about the request and the intent of the amendment. They agreed that it may also be more clear if the prohibition of the exclusion for military personnel in Section (l)(a)(i) specifically said it was for United States military.

Due to time constraints, the PSC agreed that the IIPRC staff would distribute the proposed revision via email and the Committee would take an email vote on its recommendation to the Management Committee.

Agenda Item 4. Any other matters.

The Chair noted that the Product Standards Committee would meet on May 10 to begin discussions about the 5-Year Review of the Long-Term Care Uniform Standards.