

Agenda Item 2. Discuss the comments from the PSC Public call regarding the request by the Industry Advisory Committee (IAC) to add a Death Benefit Proceeds Provision to the Core Annuity Uniform Standards and finalize a recommendation to the Management Committee.

The Insurance Compact staff provided an overview of the public call to hear comments on the Industry Advisory Committee (IAC) request for consideration of amendments to the core annuity standards to add a provision addressing payment of death benefit proceeds. The Product Standards Committee (PSC) discussed two clarifying changes proposed by Pennsylvania and Colorado. Following discussion, the PSC agreed to clarify the language in 2(a)(i) as suggested by Pennsylvania to state that for annuity contracts subject to Security and Exchange Commission's (SEC) rules governing the liquidation of account values at the death of the measuring life, interest accrues from the eighth day following the date that due proof of death is received by the company. They also agreed to state that only variable annuity contracts subject to SEC rules governing the liquidation of account values at the death of the measuring life are subject to this requirement, and not fixed annuity products that are registered with the SEC but not subject to the same redemption rules. The following revisions were made to the draft proposal:

- (2) The contract shall contain a provision for the payment of interest on the death benefit, as follows:
 - (a) Interest shall accrue and be payable as follows:
 - (i) for ~~variable~~ annuity contracts subject to the Securities and Exchange Commission's (SEC) rules governing the liquidation of account values at the death of the measuring life, from the eighth day ~~from~~ following the date that due proof of death is received by the company; and
 - (ii) for all other annuity contracts, from the date of death of the measuring life, unless the contract specifies that the contract remains in force until the date that due proof of death is received by the company;

The Committee agreed to recommend the proposal for these amendments to the Management Committee with these changes.

Agenda Item 3. Receive an overview of the initial draft of the IIPRC Office Report and Recommendations for the Uniform Standards Currently Subject to Five-Year Review (Phase 8 – Individual Disability Income Insurance).

The Insurance Compact staff provided an overview of the five sections of the initial draft of the *IIPRC Office Report and Recommendations for the Uniform Standards Currently Subject to Five-Year Review (Phase 8 – Individual Disability Income Insurance)*, as well as the detail of the 16 substantive change items outlined in the report. Members were asked to review the report and to be prepared to discuss any questions or comments they had for the June 27th call. The goal is

to release the initial report following the June 27th member call for public review and comment and to have a public call July 11th to hear initial feedback.

Agenda Item 4. Any Other Matters

The Vice Chair noted that the PSC would have a member call on June 27th to finalize the initial draft of the Additional Standard for Incidental and/or Ancillary Benefit Features for Life Insurance Products, and plans a public call for July 11th to receive comments on an initial draft of the Additional Standard for Incidental and/or Ancillary Benefit Features for Life Insurance Products as well as the Phase 8 Five-year review initial report.