



**MEETING OF THE MANAGEMENT COMMITTEE OF THE
INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION**

**Thursday, May 27, 2021
2:00 pm ET / 1:00 pm CT / 12:00 am MT / 11:00 am PT
via WebEx**

Superintendent Elizabeth Kelleher Dwyer, Chair	Rhode Island
Commissioner Mark Afable, Vice Chair	Wisconsin
Commissioner James Dodrill, Treasurer	West Virginia
Commissioner John F. King	Georgia
Commissioner Vicki Schmidt	Kansas
Acting Director Dana Popish Severinghaus	Illinois
Director Anita G. Fox	Michigan
Commissioner Marlene Caride	New Jersey
Commissioner Mike Causey	North Carolina
Director Judith French	Ohio
Commissioner Jessica K. Altman	Pennsylvania
Chief Deputy Commissioner Doug Slape	Texas
Commissioner Scott A. White	Virginia
Commissioner Jeff Rude	Wyoming

1. Welcome and Roll Call
2. **Public Hearing for Items in Rulemaking Process:** Public Hearing for the Items Currently Posted to the Docket Developing Standards
 - a. [Amendments to Address NAIC Model 805 Amendment](#)
 - b. [Additional Standards for Qualifying Events for Waiver of Monthly Deductions Benefits](#)
 - c. [Additional Standards for Qualifying Events for Waiver of Premium Benefits](#)
 - d. [Additional Standards for Waiver of Surrender Charge Benefit for Life Insurance](#)
 - e. [Uniform Standards Development Guidelines](#)

Explanation: This Hearing is an opportunity for all Commissioners/Directors/Superintendents and their regulators as well as other interested parties to provide comments pertaining to these items. Final action on these items is anticipated to take place on June 29th during the joint meeting of the Management Committee and Commission.

- a. There are six individual annuity Uniform Standards being amended to address the NAIC Model 805 amendments. These amendments address the NAIC Amendment to Section 4(B)(3) of Model Law 805 and indicate that the minimum nonforfeiture rate follow the provision based on each state's statute in effect at the time a policy is issued. Please see the [Transmittal Memo](#) for more information.
 - b & c. The proposed amendments to the Additional Standards for Qualifying Events for Waiver of Monthly Deductions Benefits and the Additional Standards for Qualifying Events for Waiver of Premium Benefits expand the type of conditions or circumstances which can trigger the benefit. The existing Uniform Standards trigger the benefit only upon proof of total disability. The amendments allow the benefit to trigger upon proof of other qualifying events which makes the benefit more widely accessible. Please see the [Briefing Sheet](#) and [Transmittal Memo](#) for more information.
 - d. Additional Standards for Waiver of Surrender Charge Benefit for Life Insurance is a new Uniform Standard that provides benefits for total disability and qualifying events. Please see the [Briefing Sheet](#) and [Transmittal Memo](#) for more information
 - e. The Uniform Standards Development Guidelines are to be used in the Uniform Standards development process for drafting, submitting, and considering proposals or changes to Uniform Standards to focus on the robust, relevant, and reasonable objectives. The Uniform Standards Development Guidelines (USD Guidelines) will provide a consistent reference guide for regulators and other interested parties in drafting, submitting, and considering new proposals or changes to Uniform Standards. The USD Guidelines include a new annual identification and prioritization systems for Uniform Standards Development.
3. **Strategic Plan Update:** Review of the *Insurance Compact Compass: Strategic Plan 2020 – 2022*
- Explanation: An update on the progress and in certain cases, completion of strategic action items will be provided. Please review the following reports: Tracker and Navigator
4. **Consent Adoption:** Consideration of Adoption of Noncontroversial Reports of Committees
- Explanation: Consider for adoption the written reports of the Governance, Product Standards, and Rulemaking Committees and written report of the Executive Director (these materials will be provided as advanced materials closer to the meeting)
5. Any Other Matters
6. Adjourn



Members of the Commission and Department Staff in Attendance:

Superintendent Elizabeth Kelleher Dwyer, Chair, Rhode Island
Commissioner Mark Afable, Vice Chair, Wisconsin
Commissioner James Dodrill, Treasurer, West Virginia
Yada Horace, Alabama
Jimmy Gunn, Alabama
Anthony Williams, Alabama
William Rodgers, Alabama
Jason Lapham, Colorado
Teresa Winer, Georgia
Martha Im, Hawaii
Lisa Zarko, Hawaii
Michele MacKenzie, Idaho
Mihir Nag, Indiana
Andria Seip, Iowa
Commissioner Vicki Schmidt, Kansas
Julie Holmes, Kansas
Rod Friedy, Louisiana
Tim Schott, Maine
Sheri Cullen, Massachusetts
Karen Dennis as a designated representative for Director Anita G. Fox, Michigan
Tammy Lohmann as a designated representative for Temporary Commissioner Grace Arnold, Minnesota
Bob Williams, Mississippi
Camille Anderson-Weddle, Missouri
Tiffany Caverhill, Montana
Jason Dexter, New Hampshire
Victoria Barnard, New Hampshire
Commissioner Marlene Caride, New Jersey
Phillip Gennace, New Jersey
Jennifer Catechis, New Mexico
Ted Hamby as a designated representative for Commissioner Mike Causey, North Carolina
Dan Bradford, as a designated representative for Director Judith French, Ohio
Tracie Gray as a designated representative for Commissioner Jessica K. Altman, Pennsylvania
Matt Gendron, Rhode Island
Sarah Neil, Rhode Island
Shari Miles, South Carolina
Patrick Merkel, Tennessee
Chief Deputy Commissioner Doug Slape, Texas
David Bolduc, Texas
Blake Davenport, Texas
Sandra Dodson, Texas
Richard Gober, Texas
Michael Markham, Texas

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION (IIPRC)

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Robert Simons, Texas
Tanji Northup, Utah
Tonya Gillespie, West Virginia
Erin Hunter, West Virginia
Lisa Brandt, Wisconsin
Commissioner Jeff Rude, Wyoming
Amanda Tarr, Wyoming

Members of the Consumer Advisory Committee in Attendance:

Fred Nepple

Members of the Industry Advisory Committee in Attendance:

Maeghan Gale, NAIFA
Andrea Davey, Athene
Wayne Mehlman, ACLI
Joe Muratore, New York Life

Members of the Insurance Compact in Attendance:

Karen Schutter, Executive Director
Becky McElduff, Director of Product Operations & Chief Counsel
Sara Dubsky, Assistant Director of Administrative Operations
Mindy Bradford, Product Reviewer
Ed Charbonnier, Product Reviewer
Jeanne Daharsh, Actuary
Sue Ezalarab, Regulatory Coordinator Consultant
Karen Givens, Senior Product Reviewer
Naomi Kloepersmith, Actuary
Maureen Perry, Product Review Consultant
Sarah Neil, Communications & Outreach Coordinator
Hanna Steen, Administrative Assistant
Jalaire Kose, Administrative Assistant

Superintendent Dwyer called to order the meeting of the Management Committee. Ms. Schutter took the roll call of the: Management Committee, the Commission, Legislative Committee, Consumer Advisory Committee, and the Industry Advisory Committee.

Superintendent Dwyer began by explaining how the purpose of the call is to provide a hearing for the items recommended by the Product Standards Committee that are currently in the rulemaking process. Superintendent Dwyer asked Mr. Lapham to provide an overview of these items.

Mr. Lapham explained how the Product Standards Committee drafted amendments to address the amendments to the NAIC's Model 805 regarding the non-forfeiture law for individual annuities and when it should become effective for purposes of the uniform standards. The PSC proposed adding a definition of non-forfeiture rate to change the definition of "Minimum Non-Forfeiture rate" for purposes of the Uniform Standards. The minimum non-forfeiture rate must be consistent with the minimum non-forfeiture rate, and the law of the where the policy is delivered or issued for delivery. The standards include: Individual Deferred Non-Variable Annuity Contract Standards, the Core Standards for Individual Deferred Variable Annuity Contracts, Additional Standards for

Bonus Benefits for Individual Deferred Non-Variable Annuity Contracts Standards, Additional Standards for Market Value Adjustment Provided Through the General Account, and Additional Standards for Index Linked Crediting Feature Deferred Non-Variable Annuities and the General Account Portion of Individual Deferred Variable Annuity Contracts.

Mr. Lapham reviewed the waiver benefit features for individual life insurance products. The waiver of premium benefit waves premium due for an insured under life insurance policy when the insured meets certain benefit triggers. The next waiver of monthly deduction waves monthly deductions applicable under a life insurance policy when the insured meets certain benefit triggers. Monthly deductions are the actual cost of insurance charges, expense charges and costs or charges, which are specified in the policy to be deducted from the account value. Mr. Lapham explained why the standards were being amended as the existing standards recognized only total disability as a trigger for the waiver benefit. He reported many other triggers for waiver benefits, such as limited life expectancy and unemployment, are currently available in today's market. The Additional Standards for Waiver of Surrender Charge Benefit for Life Insurance is a new individual life standard which waives applicable surrender charges under a life insurance policy when the insured meets certain benefit triggers. One of the proposed standards is entirely new for the life insurance product line which is waiver of surrender charge. This benefit waves applicable surrender charges under a life insurance policy when the insured meets certain benefit triggers. Mr. Lapham reviewed the qualifying events added to these 3 uniform standards that would trigger access to the benefit. The qualifying events in these uniform standards are based directly on the existing annuity waiver of surrender charge provisions. Mr. Lapham emphasized these uniform standards are not for long-term insurance or as providing long-term care benefits and prohibit the waiver of benefits being contingent upon receipt of long-term care services.

Mr. Lapham provided an overview on the Uniform Standards Development Guidelines and the Annual Prioritization System were both in response to two strategic plan action items under Priority 1 (action items 3 and 6). The purpose of the Uniform Standards Development Guidelines is to provide a reference guide for regulators, legislators, and others in contracting states as well as representatives, consumers, industry, and all others involved in drafting/submitting new proposals or changes to uniform standards. Mr. Lapham noted the Uniform Standards Development Guidelines are to explain the steps involved in the process of developing, reviewing, amending, commenting, considering, and adopting uniform standards. It also outlines the ways uniform standards can be drafted or amended through new development, an annual identification and prioritization system, emergency rulemaking, and 5-year review. Mr. Lapham stated the PSC will consider all items on the uniform standards identification list as of June 30th of each year, for purposes of providing a recommendation to the Management Committee with respect to prioritization for the next calendar year. If necessary, the PSC will identify any request that might require additional resources as part of the annual budget request and prepare a request to submit to the Finance Committee.

Superintendent Dwyer summarized the items Mr. Lapham reviewed and noted the first amendment addresses the changes to the nonforfeiture rate to change from 1 to .15% and the nonforfeiture rate will be in accordance to the applicable state law. Superintendent Dwyer asked if there were any comments from anyone regarding the amendments pertaining to NAIC Model 805; there were no comments.

Superintendent Dwyer moved to the three waiver standards and asked if there were any comments. Superintendent Dwyer noted the ACLI has submitted written comments and will ask the PSC to review the comments and address. Mr. Mehlman reviewed the comments submitted pertaining to the amendments made in Section 3.A.(2)(d) and Section 3.G. There were no comments.

Superintendent Dwyer proceeded to comments pertaining to the Uniform Standards Development Guidelines including the annual identification and prioritization system. Superintendent Dwyer noted the Commission will be implementing this system to develop the 2022 work plan for the Product Standards Committee. There were no comments made on changes to the Uniform Standards Development Guidelines. Superintendent Dwyer asked if there were any comments; there were none.

Superintendent Dwyer than asked Ms. Schutter to provide an update on the Strategic Plan. Ms. Schutter noted five major action items have been completed to date. Ms. Schutter announced a new employee, Sarah Neil from the Rhode Island Department, who will be the Communications and Outreach Coordinator. There were no comments or questions regarding the update.

Superintendent Dwyer moved on to the next agenda item, consideration of the consent agenda. There were no questions or comments regarding the consent agenda. A motion to adopt the consent agenda by the Product Standards, Rulemaking, and the Executive Director operational report was made by Commissioner Rude and seconded by Commissioner Dodrill. There was no objection to a voice vote in which the motion was passed. As there were no other matters, the meeting of the Management Committee adjourned.