

Agenda Item 2. Review and Discuss the Initial Discussion Draft of *Additional Standards for Return of Premium for Individual Disability Income Insurance*

Roger Stefani, Vice Chair of the Product Standards Committee asked Karen Schutter to provide background information and lead a review of the initial discussion draft of *Additional Standards for Return of Premium for Individual Disability Income Insurance*. Ms. Schutter noted that during the Five-Year Review of the Individual Disability Income Insurance uniform standards, the PSC agreed in principle to add provisions for an optional return of premium benefit; however, since information that the PSC requested from industry about these products was provided near the end of the review process, the PSC felt that more time was needed to develop a proposal. As a result, in order to not delay adoption of the existing Individual Disability Income Insurance uniform standards, they recommended, and the Management Committee agreed to consider it under a newly drafted additional standard for an optional benefit.

Ms. Schutter stated that Compact staff researched applicable state laws and regulations, reviewed state filed and approved products, and worked with interested regulators and companies that have filed riders for return of premium to develop an initial draft for the PSC's consideration. If following review of the initial draft, the PSC believed it was ready, the draft would be posted to the Compact's Docket - Uniform Standards Under Construction and exposed for public comment for the upcoming PSC public call.

The PSC discussed the draft section by section. There were suggestions regarding clarification of requirements for optional cash surrender value benefit provisions and a death benefit provision when the insured dies before the end of the term/interval under a specified interval design. Following further discussion, the PSC concluded that they preferred to see a revised draft including the discussed changes before exposing the draft for comment. Compact staff stated they would pull this item from the March 19th public call and prepare revisions for the next PSC member call.

Agenda Item 5. Any Other Matters.

The Vice Chair stated that the next call will be a public call on March 19th to receive comments on the revised draft of the *Single Premium Group Fixed Annuity Contract Uniform Standards*. The following week, on March 26th the Committee will hold a member call to consider those comments and to also review the revised initial draft of the *Additional Standards for Return of Premium for Individual Disability Income Insurance*.