

Product Standards Committee (PSC)
Call Summary
July 25, 2023

Agenda Item 2. Review the briefing document on interim value approach, i.e., can the standards accommodate materially consistent approaches

Jason Lapham said the Compact Officers want a separate briefing with more background on the ILVA draft and the methodologies for calculating interim values. Karen Schutter said there will be a 3–5-minute report at the August meeting. A more in-depth briefing will be held at a later date. The ILVA subgroup is accepting comments on its second draft of the ILVA uniform standard with comments due at the end of August. The revised draft includes the hypothetical portfolio methodology only. There are other methodologies in the marketplace today. Andria Seip asked for a briefing for PSC members. Several PSC members discussed how the implementation of Actuarial Guideline 54 will affect state filings after July 2024. Karen Schutter said that each member state will need to decide how to handle state filings.

Agenda Item 3. Review requests for new or amended standards and schedule public call.

The PSC discussed the ACLI requests. Several members commented on how they review requests for value added services. Some states only review if the service is added to the policy. Some states require a separate filing and determine how the service meets the requirements in the Unfair Trade Practices Act. There was a discussion about the ACLI request to change the provision that requires that insurers accept any premium payments sent by U.S. mail that are postmarked within the grace period. Several members said this was a state statutory requirement. There were comments on the ACLI request to create a uniform standard for ancillary/incidental benefits with members providing examples.

Agenda Item 4. Review group term life insurance draft and discuss plan for amending group standards for non-employer groups

There was a brief discussion about how to approach the non-employer group uniform standards. The first standard will be for group term life insurance. There was a discussion about the need for a subgroup to review the standards. Andria Seip suggested that the PSC review the red-lined draft on its next call before deciding if a subgroup is needed.

Agenda Item 5. Any Other Matters

Jason Lapham said the next meeting of the PSC will be a regulator-only call on August 8. There were no other matters.