

Agenda Item 2. Discuss comments from public call on amendments to the scope of Other Standards to add references to ILVA and amendments to the calculation of the initial benefit base for Guaranteed Minimum Accumulation Benefit (GMAB) features under the Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities

Andria Seip asked the Compact Office to summarize the comments from the ILVA subgroup regarding the suggested additional amendments to the *Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities*. The current GLB standard requires that the initial benefit base be at least 100% of initial premiums and companies had requested that (specifically for variable GMABs), a benefit base lower than initial premium and a sum of premium floor be permitted. The exposed version of the GLB standard modified the benefit base provision to allow for the benefit base to be a portion of the initial premium and removed the sum of premium floor on the benefit base. The ILVA subgroup discussed whether a minimum percentage should be specified so that there is a “reasonable” percentage of premium floor on the benefit base. PSC members reviewed a draft amendment and discussed a minimum percentage. PSC members agreed to a minimum percentage of 50 % and not to accept the ACLI-CAI amendments. The amendment will be exposed, and a public call scheduled.

§2. General Requirements C. GLB Amounts

- (1) The GLB form shall describe any formulae or methodology used to determine the GLB amounts. The GLB form shall describe:
 - (a) The calculation of the guaranteed benefit base. The value of the **initial** guaranteed benefit base for a GLB benefit included at contract issue shall be equal to **a specified percentage no lower than 50% of the initial premium payment**, and for a GLB benefit added after contract issue shall be equal to **a specified percentage no lower than 50% of the account value, increased by any additional premium, and the guaranteed benefit base** may be further increased or decreased as follows:
 - (i) **Increased by a specified percentage no lower than 50% of any additional premium;**
 - (ii) **Increased under specified conditions (e.g. bonus credits received on specified dates, step-up provisions, percentage increases or roll-up amounts, etc.);**
 - (iii) **Decreased due to a reset that is triggered by a change that is stated in the contract (e.g. a change in covered person may trigger a reset to the account value);**
 - (iv) **Decreased due to a reset that is triggered by a decrease in the account value or an external index. Such reset shall not allow the guaranteed benefit base to fall below the ~~sum of premiums paid~~ the value of the initial guaranteed benefit base plus any additional premium added to the guaranteed benefit base under (i) of this**

section less the greater of (a) the dollar amount of any withdrawals previously made, and (b) the value of those same withdrawals in the proportion that each withdrawal reduced the account value on the date of the withdrawal;

Agenda Item 3. Review amendments to the Group Term Life Insurance Uniform Standards for Accelerated Death Benefits to address incidental test

PSC members reviewed the proposed drafting note regarding the incidental test. Andria Seip asked if the drafting note could document the date the decision was made. The Compact Office said the effective date of the amended standard would document when the change is applied. There was discussion about whether additional requests might occur. The Compact Office said it would require amending the standards. Mary Block suggested “adding at this time” to the drafting note:

The Commission does not believe sufficient data is available **at this time** to justify any further increase in the value of incidental benefits under these standards.

Agenda Item 4. Discuss the amendments to the group whole life insurance draft uniform standards for nonemployer groups

Andria Seip said the subgroup comments have been added to the drafts and asked the PSC members if there were any concerns about scheduling a public call. There were no concerns. The public call will be scheduled to receive comments. Missouri submitted some comments that the Chair and the Compact office will review for discussion on the next PSC call.

Agenda Item 5. Any Other Matters

The next meeting of the PSC will be a regulator only call on March 26, 2024.