

Product Standards Committee
Call Summary
February 2, 2021

Agenda Item 1. Roll Call.

Agenda Item 2. Welcome Product Standards Committee members and introductions

The Chair, Jason Lapham, welcomed the new members of the Product Standards Committee. He asked each member to introduce themselves during the roll call.

Agenda Item 3. Overview of the Role of the PSC and Duties of Committee members

The Compact Office provided the overview. There were no questions or comments.

Agenda Item 4. Discuss the draft Charter and Work Plan Calendar for the Product Standards Committee

The Compact Office went over the draft charter and work plan calendar. This the first year the PSC has had a charter. The PSC will review and update the charter each year. The draft work plan calendar covers the meetings through June. The Chair asked the members to review the documents and send any comments to the Compact office. He said he would be submitting comments on the draft charter and encouraged others to do so as well.

Agenda Item 5. Discuss the amendment to Section 4(B)(3) of NAIC Model Standard Nonforfeiture Law for Individual Deferred Annuities adopted by the NAIC Plenary on December 9, 2020 (“Model 805 Amendment”).

The Chair presented a concept for discussion. He suggested creating variability within the standard to account for different timelines for adoption of the revisions in the states. Maryland supported the approach especially regarding timing.

Texas, Hawaii, and Rhode Island agreed with this approach. Nebraska said there should be assurances that companies would follow state statutes. Karen Schutter said the Compact Office would work to prepare suggested changes to the Uniform Standards for the PSC to review. She said there are other standards that look back to state laws.

Agenda Item 6. Any Other Matters

The Chair asked if there were any other matters. Pete Weber, Chair of the Actuarial Working Group (AWG), asked to provide an update on its work on an indexed linked variable annuity standard. He said these are complex products. The AWG would like to hold several public calls to obtain feedback from industry actuaries on the interim value methodology they are developing. The focus is on the values when a policy is surrendered.

The Chair asked about the time frame for the calls. Mr. Weber said it was difficult to estimate but that they hoped to complete the calls in March.

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The next call of the PSC will be on February 16. There were no other matters.

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