

**Requests For Uniform Standards Development 2025**  
*7-29-2024 DRAFT -For consideration by the PSC*

<b>Product Line</b>	<b>Uniform Standard Request</b>	<b>Requesting Party</b>	<b>Description of Request</b>	<b>Reason / Explanation</b>	<b>New or Amend</b>	<b>Recommended Priority</b>
Individual Annuity	New uniform standard for contingent deferred annuities	ACLI	We request that the Compact develop new uniform standards for contingent deferred annuities.	Contingent deferred annuities (CDAs) provide customers flexibility to keep their assets in managed accounts with their trusted financial professionals or retirement plans and provide longevity protection at the same time. Those individuals with assets in these vehicles are currently unprotected from longevity risk and subject to additional risks (inflation, sequence of returns) as they enter the decumulation phase of retirement. This product wraps certain investments in these vehicles and pays out a lifetime income stream once the account value is depleted. The market would benefit from the clarity and consistency the Interstate Compact would bring to the CDA market. This would provide a structure for states to adopt these standards using the latest Model 805 requirements (which include CDA requirements) without requiring individual states to take additional regulatory or legislative action and to implement the 2015 guidance from the CDA Working Group.	New	
Group Life	New uniform standard	ACLI	We request that the Compact develop new uniform standards for group private placement/variable universal life (VUL) products.	The adoption of these new standards would promote uniformity across all Compact member jurisdictions and provide consistency in the sales and administration of group private placement/variable universal life (VUL) policies. It would also allow for improved speed-to-market since companies would only have to work with one entity (the Compact) in order to obtain approval in all of the Compact member jurisdictions, as opposed to having to work with each of those jurisdictions separately. In addition, new standards would greatly streamline the carriers' filing	New	

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				and forms maintenance process as it eliminates the need for special state versions.		
Group Annuity	Group annuity product line	ACLI	We request that the Compact (1) expand the scope of all remaining group product standards to allow for eligible non-employer groups and (2) recommend that the states include portability trusts as an eligible non-employer group.	<p>It is important, for both substance and consistency, that the scope of the remaining group product standards be expanded to allow for eligible non-employer groups. In some cases, this could be done with a simple amendment to allow for changes in terminology based on whether the group is a non-employer group.</p> <p>In addition, we ask that the Compact recommend that the states include portability trusts as an eligible non-employer group. A portability trust provides a means to allow individuals who are insured under a traditional group life policy to retain coverage after they would otherwise lose coverage due to termination of their employment or discontinuance of the underlying group policy. The means through which the portability option is offered is via a group policy issued to a trust (i.e., a portability trust). The trust is the policyholder (for the portability option only, the underlying group policy is/was issued to the person's [now former] employer). Portability provides a great benefit to consumers. Not only can employees who were covered through their employer's group policy retain their coverage when it would otherwise expire due to termination of employment or discontinuation of the underlying</p>	Amend	

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				coverage, but they also retain their insurance at favorable group rates.		
Group life	New uniform standard	ACLI	We request that the Compact develop new uniform standards for group accidental death and dismemberment (AD&D) products.	The Compact does not currently have uniform product standards for group accidental death and dismemberment (AD&D) products, forcing companies to file with the states individually. Furthermore, some companies have had to file several versions of this product over time, which increases the amount of time and effort that has to be expended by both insurers and the states. The individual state filings also increase the complexity of administration due to variations among the different jurisdictions.	New	
Disability Income	New Uniform standard	ACLI	We request that the Compact develop new uniform standards for paid family leave (PFL) insurance products, including riders.	Following the adoption of NCOIL's Paid Family Leave (PFL) Insurance Model, there has been increased state activity to adopt or recognize PFL as a new line of insurance in which any insurer licensed to transact life insurance or disability income insurance may also provide coverage for PFL. Similarly, many carriers are looking to provide this new coverage through either a standalone product or as a rider but cannot do so under current Uniform Standards. Several Compacting States already allow for PFL coverage. We would recommend that the development of PFL standards be fashioned after the NCOIL Model.	New	

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Group term life	Group term life Waiver of premium	ACLI	We request that the Compact expand the scope of the "Group Term Life Insurance Uniform Standards for Waiver of Premium While the Employee is Total Disabled" to include qualifying events so it is aligned with the "Additional Standards for Waiver of Premium Benefits for Total Disability and Other Qualifying Events for Whole Life Insurance Policies and Certificates for Employer Groups".	<p>It is important, for both substance and consistency, that the "Group Term Life Insurance Uniform Standards for Waiver of Premium While the Employee is Total Disabled" and the "Additional Standards for Waiver of Premium Benefits for Total Disability and Other Qualifying Events for Whole Life Insurance Policies and Certificates for Employer Groups" be aligned with regard to qualifying events. In the latter standards, "Qualifying event" means any of the following, as long as the event meets the requirements of the standard:</p> <ul style="list-style-type: none"> <li>(1) Diagnosis of limited life expectancy or life-threatening condition</li> <li>(2) Diagnosis of cognitive impairment</li> <li>(3) Assessment by qualified professional establishing inability to perform certain activities of daily living</li> <li>(4) Receipt of care from a health care facility</li> <li>(5) Disability other than total disability</li> <li>(6) Unemployment.</li> </ul>	Amend	
Individual Variable Annuity	New uniform standard	ACLI	We request that the Compact develop new uniform standards for protected income solutions.	Protected income solutions (PIS) are an important benefit design that does not fit into the language in the proposed Additional Standards for Guaranteed Living Benefits (GLBs) for Individual Deferred Variable Annuities or Individual Deferred Index Linked Variable Annuity Contracts. As with GLB benefits, PIS provides longevity protection by continuing lifetime income payments even after the account value is exhausted. PIS allows the income	New	

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				<p>payments to increase, decrease, or stay the same based upon the index performance of the index strategies chosen, subject to the levels of downside protection included in those index strategies. The design allows contract holders to choose the levels of downside protection and growth potential that aligns to their risk tolerance, while offering the flexibility to adjust as their needs change throughout retirement, including the ability to lock in a minimum income amount by electing index strategies with full downside protection. No minimum floor on protection is required beyond that. The adoption of new PIS standards will facilitate filings of ILVAs through the Compact. They are already well established in the ILVA market since 2018, as well as in other markets.</p>		
Group Annuity	Actuarial Memorandum Requirements	Compact Office	<p>Remove the group annuity contract description requirement from the actuarial requirements section of the standard as this requirement is unnecessary and generates objections because most companies are unsure what to include to satisfy this requirement. Proposed revised section would read:            B. ACTUARIAL MEMORANDUM REQUIREMENTS (1) An actuarial memorandum shall be prepared, dated and signed by a member of the American Academy of Actuaries who certifies the contract is a group annuity exempt from compliance with the NAIC Annuity Nonforfeiture Model 805;</p>	<p>The revision is requested to make reviews more efficient and eliminate objections. Since these filings are exempt from nonforfeiture compliance a certification to that fact should be sufficient to satisfy actuarial requirements under the standard.</p>	Amend	

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Individual Adjustable Life	Bonus Benefits	Compact Office	Develop a new standard for review of bonus benefits associated with individual adjustable life insurance policies. The Compact currently reviews these types of benefits pursuant to the specifications page standard provision "(5) Any limitations on the crediting of additional interest on a portion of the account value shall be described." and the nonforfeiture provision "(5) In any policy under which additional amounts may be credited, the policy shall state that additional amounts are nonforfeitable after crediting except indirectly due to surrender charges made. The policy shall state that additional amounts, if any, will be credited no less frequently than annually." The individual annuity bonus standards can be used as a starting point in drafting these new standards.	In order to be consistent in review approach of these similar benefits across product lines, a new standard similar to the existing bonus standard available on the individual annuity product is recommended for development.	New	
Group	Tax Qualified Riders/Endorsements	Compact Office	Develop a new standard for review of tax qualified plan provisions found in group insurance forms. The Compact currently reviews these types of benefits under the group policy or contract standards for tax qualified provisions that are part of the policy/contract only. However, until a new standard is developed that accommodates tax qualified plan provisions as standalone forms for group insurance business, the Compact is not able to review. The development of this standard would not only allow for review of stand-alone tax qualified forms but also create consistency in review of similar provisions across product lines. The Additional Standards for Forms Used to	In order to accommodate review of certain forms and be consistent in review approach of these types of provisions across product lines, a new standard similar to the existing tax qualified plan provisions standard available on the individual side is recommended for development for group business.	New	

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			Provide Tax Qualified Plan Provisions for Individual Annuity Contracts and Additional Standards for Forms Used to Provide Tax Qualified Plan Provisions for Individual Life Insurance Policies can be used as a starting point in drafting these new standards.			
Individual Annuity	Additional Standards of Waiver of Surrender Charge Benefit	Compact Office	Expand the qualifying event conditions recognized under the uniform standard to include situations covering at least home displacement and other financial hardship situations and any other conditions or situations that may be beneficial to annuity consumers. . Expand the categories of what is considered a qualifying event under Section 3(3) of the Additional Standards of Waiver of Surrender Charge Benefit.	The Compact has received waiver benefits for qualifying events that are not specifically identified under the uniform standards as qualifying events. As they are not identified as a qualifying event under the standard, the Compact has not been able to review the benefits. When there is no charge associated with the benefit, it is truly a consumer benefit to have a way to withdraw money from their annuity without being assessed charges. Expanding the qualifying events identified in the standard would allow companies to offer these consumer benefits that could be filed and reviewed through the Compact.	Amend	
Group term life and Group annuity	Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Term Life Insurance Policy Changes	Compact Office	Suggested revisions to existing standard: Title: "Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Term Life Insurance Policy Change or Group Annuity Contract Change" Scope: "These standards apply to riders, endorsements or amendments that are used to effect group policy/contract changes that are required by state or federal law, that have been requested by the policy/contractholder for a group term life insurance policy or group annuity contract, or that are the result of either party	Expand the Scope of the UNIFORM STANDARDS FOR RIDERS, ENDORSEMENTS OR AMENDMENTS USED TO EFFECT GROUP TERM LIFE INSURANCE POLICY CHANGE to include group annuities or create a new standard for this purpose as riders, amendments and/or endorsements are common forms in group annuity filings as well.	Amend	

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			exercising their rights under the group policy/contract. Such policy/contract change forms may be attached to the group term life insurance policy or group annuity contract on the policy/contract date of issue or after the date of issue.			



