

Product Standards Committee (PSC)
Regulator Call Summary
June 21, 2022

Agenda Item 2. Continue discussion of the Individual Disability Buy Sell draft

PSC members reviewed the draft with the changes as summarized in the June 7 call summary. Jason Lapham, Chair of the PSC, said that Iowa and Vermont had submitted written comments on the Buy Sell Uniform Standard draft.

The PSC went over the comments and is recommending deleting the definitions of Concurrent Disability, Recurrent Disability and Rehabilitation.

In the Required Provisions Section, the PSC suggested edits to Benefit Payment Methods, Physical Examinations and Autopsy and Notice of Claim. In the Optional Provisions Section, the PSC recommended deleting the Change of Occupation section and edits to the Waiver of Premium. The PSC had questions about references to limited benefit periods and whether these would apply to the Buy-Sell Uniform standard. There was a question about Disabilities not Verifiable by Objective Medical Means. The Compact Office will follow up with the ACLI for further information.

PSC members asked about the Drafting Note in the Time Limit for Certain Defenses Section. The Compact Office will research the history of the drafting note.

Agenda Item 3. Continue discussion of the Disability Key Person Replacement Draft

The PSC discussed the definition of “Business Income” and how the definition is used in the standard. There was a proposal to substitute the definition of “Earnings” from the Individual Disability Income uniform standard. The PSC decided to use the definition of Business Income. There was discussion of the definitions of the Cost of Sales and Services, Partial Disability, and Prior Business Income. The Compact Office will follow up with ACLI. The PSC will continue its review of the Key Person Replacement Uniform Standard on the next call.

Agenda Item 4. Any Other Matters

Jason Lapham briefed the PSC on the status of the Index Linked Variable Annuity draft standard. The PSC will be working on development of Uniform Standards for indexed-linked variable annuities later this summer. The Actuarial Working Group is following the work of the NAIC Life Actuarial Task Force development of an Actuarial Guideline for interim values and will update its draft. The Compact Office is preparing some educational background materials for the PSC. The next call of the PSC will be a regulator-only call on July 12. There were no other matters.

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