

Product Standards Committee (PSC)
Regulator-Only Call Summary
September 10, 2024

Agenda Item 2. Discuss comments from the public call on 2025 requests for Uniform Standards Development and the remaining requests on the 2024 list and suggested priorities

The PSC discussed the suggested priority for a new standard for contingent deferred annuities. Andria Seip asked for comments. Maryland said they had been contacted by an industry member about the request. Andria Seip asked if the PSC agreed that this would be a low priority. There will be an additional public call to receive comments from industry and other stakeholders.

There was discussion about the group private placement uniform standard. The Compact Office said there is a standard for private placement in the individual product line. There are no standards for group universal life. Maryland commented that the PSC should start with group universal life, group variable universal life and only then consider group product placement. The PSC members suggested a medium priority, but that group universal life and group variable life would need to be developed first.

There was discussion about the request to expand the product lines for nonemployer groups and the request to include portability trusts. The Compact Office said that portability trusts have already been addressed in the non-employer group framework. Each state determines if portability trusts are permitted in the state. The Compact Office can ask the ACLI for clarification of this request.

The PSC discussed the request for a stand-alone group accidental death and dismemberment uniform standard. There is a similar request for the individual product line. The Compact Office suggests surveying the states. Andria Seip said it would be helpful to understand the position of the states on this request.

There was a discussion about the request to develop a uniform standard for Paid Family Leave. Vermont said they could approve these benefits under their existing state law and did not need a separate law. Other members had questions about whether this was covered under disability insurance as the person receiving the benefit was not disabled. The Compact Office suggested surveying the states for further information.

There was discussion about the request to add qualifying events to the group term life waiver of premium uniform standard. The Compact Office suggested the PSC could use the Group Whole Life Standard for Total Disability and Other Qualifying Events as a starting point and suggested a very high priority.

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The next request was to develop a uniform standard for protected income solutions. ACLI requested consideration as this option is offered in index linked variable annuity products today. The Compact Office suggested a very high priority.

The Compact Office discussed its requests. There was discussion about the request to expand waiver of surrender charge to hardship situations.

Andria Seip asked the Compact Office to update the chart with the comments. She said the next step will be to schedule a public call to receive comments on the suggested priorities.

Agenda Item 3. Discuss comments from the public call on the 5-year review of the Group Disability Income Product Line and finalize referral of amended standards for both 5-year review and non-employer group

Andria Seip said the group disability income amendments are ready to be referred to the Management Committee as there were no questions or comments during the August 27 public call. She asked committee members to review the memo and draft amended standards and to submit any final comments to the Compact Office by Friday, September 13.

Agenda Item 4. Any Other Matters

The next meeting of the PSC will be a regulator only call on September 24. There were no other matters.