

Product Standards Committee (PSC)
Regulator Call Summary
October 15, 2024

Agenda Item 2. Discuss comments from the October 8 public call on the 2025 Uniform Standards development list

Andria Seip, Chair of the Product Standards Committee, asked for comments after the public call. The ACLI submitted written comments. The first request was to elevate the Contingent Deferred Annuity prioritization from “Low or Remove From List” to “Medium.” The PSC members commented that states received very few filings but agreed to keep it on the list as a “low” priority.

The next request was to keep registered index-linked variable life insurance products as a “Very High” priority. PSC members have not seen many filings at the state level. PSC members expressed concern that there is no actuarial guideline or model for this product. Members discussed whether this issue has come up at the NAIC Life Actuarial Task Force (LATF). Andria Seip suggested there may be a role for the PSC. The Compact Office provided background on the development of the actuarial guideline for Index linked annuities. A subgroup of the Actuarial Working Group worked with insurers to develop a framework that was referred to the NAIC LATF to develop a guideline. The PSC decided to keep index linked variable life on the list with a “medium” priority and to have further discussion.

ACLI representatives clarified the Paid Family Leave request applied to group insurance. the PSC agreed to change the product type to group in the list.

ACLI representatives provided general comments in support of developing a standard for value-added services and offered to assist the PSC. Andria reminded members to submit their responses to the survey. The Compact Office said the responses would be summarized and discussed on a public call.

Andria Seip said the Compact Office will finalize the list. The changes are as follow:

p. 1 Individual Life Registered Indexed life - changed priority from “Very High” to a “Medium” priority and will consider having a subgroup explore what would be needed to develop a framework for an actuarial guideline.

p. 7 Contingent Deferred Annuities - Changed priority from “Low or Remove from List” to “Low” but left narrative as drafted

p. 9 Paid Family Leave – Changed Product line from Individual Disability to Group Disability Income but left narrative as drafted

Agenda Item 3. Discuss draft Additional Standards for Graded Death Benefit for Group Term Life Insurance Policies and Certificates

The Compact Office went over the first draft of the graded death benefit for group term life policies and certificates. The draft used the group whole life graded death benefit standard as a starting point. There were three places where “whole” is replaced with “term.”

There are questions about the Actuarial Memorandum Requirements as the Whole Life standard references standard nonforfeiture benefits which do not apply to term insurance. The Compact Office will provide more detail to PSC members to review before the next call.

Any Other Matters

The next meeting of the PSC will be a regulator only call on November 12. There were no other matters.