



**JOINT MEETING OF THE MANAGEMENT COMMITTEE AND THE  
INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION**

**Thursday, October 24, 2024  
3 pm ET / 2 pm CT / 1 pm MT / 12 pm PT**

**AGENDA**

1. **Roll Call**
2. **Management Committee and Commission Consideration of Adoption of Amendments to Uniform Standards for Group Term Life and Group Whole Life:** Consider for final action the proposed amendments to certain group uniform standards.

**EXPLANATION:** The Management Committee and Commission will consider adopting the proposed amendments to the group standards to allow for groups other than employer groups. The public hearing took place on August 15, 2024. All written comments are available on the Docket.

**GROUP TERM LIFE PRODUCT LINE**

- Group Term Life Insurance Policy and Certificate Standards
- Uniform Standards for Group Term Life Insurance Enrollment Forms and Statement of Insurability Forms
- Uniform Standards for Group Term Life Insurance Statement of Insurability Change Form
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Term Insurance Certificate Changes
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Term Life Insurance Policy Changes
- Group Term Life Insurance Uniform Standards for Accelerated Death Benefits
- Group Term Life Insurance Uniform Standards for Accidental Death Benefits
- Group Term Life Insurance Uniform Standards for Accidental Death and Dismemberment Benefits
- Group Term Life Insurance Uniform Standards for Waiver of Premium While the Certificateholder is Totally Disabled

**GROUP WHOLE LIFE PRODUCT LINE**

- Group Whole Life Insurance Policy and Certificate Standards
- Uniform Standards for Group Whole Life Insurance Enrollment Forms and Statement of Insurability Forms
- Uniform Standards for Group Whole Life Insurance Statement of Insurability Change Form
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Whole Insurance Certificate Changes
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Whole Life Insurance Policy Changes
- Group Whole Life Insurance Uniform Standards for Accelerated Death Benefits
- Group Whole Life Insurance Uniform Standards for Accidental Death Benefits



- Group Whole Life Insurance Uniform Standards for Accidental Death and Dismemberment Benefits
- Additional Standards for Waiver of Premium Benefits for Total Disability and Other Qualifying Events for Whole Life Insurance Policies and Certificates
- Additional Standards for Graded Death Benefits for Whole Life Insurance Policies and Certificate

3. **Management Committee and Commission Consideration of Adoption of Amendments to the Compact Bylaws:** Consider for final action the proposed amendments to the Compact Bylaws.

**EXPLANATION:** The Management Committee will consider adopting the proposed amendments to the Compact Bylaws pertaining to Section 1 and Section 2.D which allows for the most immediate Chair to serve as Past Chair.

4. **Management Committee Ratification of Publication and Public Hearing on Amendments to Uniform Standards for Group Disability Income and Group Policyholder Application:** Consideration of the Report of the Chair on Publication for Notice and Comment of the Product Standards Committee Recommendation to amend Uniform Standards for Group Disability Income Product Line and Public Hearing.

**EXPLANATION:** On September 16<sup>th</sup>, at the direction of Director Dunning as Compact Chair pursuant to Article IV, Section 2(a) of the Bylaws, the Product Standards Committee recommendation for amendments to certain Uniform Standards was issued for publication and comment. The specific Uniform Standards are provided below. The Management Committee will consider a motion to ratify this action and will hold a public hearing to receive oral comments.

Additionally, the Management Committee will receive comments on the amendments to the Group Policyholder Application during this Public Hearing. These amendments were published for 60-day public comment on July 24, 2024.

**GROUP DISABILITY INCOME PRODUCT LINE**

- Group Disability Income Policy and Certificate Uniform Standards
- Uniform Standards for Group Disability Income Insurance Enrollment Forms and Statement of Insurability Forms
- Uniform Standards for Group Disability Income Insurance Statement of Insurability Change Form
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Disability Income Insurance Policy Changes
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Disability Income Insurance Certificate Changes
- Uniform Standards for Group Disability Income Insurance Initial Rate Filings
- Uniform Standards for Filing Revisions to Rate Filing Schedules in Group Disability Income Insurance Policies

5. **Public Hearing on the Proposed 2025 Annual Budget and the Proposed 2025 Uniform Standards Development Prioritization List:** Conduct a public hearing to receive oral comments on the 2025 annual



budget package as recommended by the Finance Committee and the 2025 Uniform Standards Development Prioritization List as recommended by the Product Standards Committee.

**EXPLANATION:** Upon receipt of the recommendations from the Finance Committee and Product Standards Committee, Director Dunning authorized that each recommendation be published for public notice in advance of the October 24<sup>th</sup> meeting. The Management Committee will hold a public hearing to receive comments from members and any interested parties on these items.

- 2025 Annual Budget as published for the October 16<sup>th</sup> public Finance Committee Call
- 2025 Budget Memo (Revenue Realignment Proposal and New FTE request) as published for the October 16<sup>th</sup> public Finance Committee Call
- 2025 Schedule of Fees as published for the October 16<sup>th</sup> public Finance Committee Call
- 2025 Uniform Standards Development Prioritization Recommendation as published for the October 8<sup>th</sup> public Product Standards Committee Call

6. **Consent Agenda:** Joint Action Item by the Management Committee and Commission to Adopt the Reports of the Committees, and the Meeting Minutes from the August 15, 2024, Joint Meeting of the Management Committee.

**EXPLANATION:** The action item is to consider adoption by consent the written reports of the Adjunct Services Committee, Governance Committee and Product Standards Committee and the Minutes of the August 15, 2024, Joint Meeting.

7. **Any Other Matters & Adjourn**

**Members of the Commission and Department Staff in Attendance:**

Director Eric Dunning, Chair, Nebraska  
Commissioner Allan McVey, Vice Chair, West Virginia  
Director Barbara Richardson, Treasurer, Arizona  
Director Lori Wing-Heier, Alaska  
Sydney Sloan as designated representative for Commissioner Michael Conway, Colorado  
Paul Lombardo as designated representative for Commissioner Andrew Mais, Connecticut  
Jessica Luff as designated representative for Commissioner Trinidad Navarro, Delaware  
Howard Liebers as designated representative for Commissioner Karima Woods, District of Columbia  
Steve Manders as designated representative for Commissioner John King, Georgia  
Kathleen Nakasone as designated representative for Commissioner Gordon Ito, Hawaii  
Ray Nagasawa, Hawaii  
Director Dean Cameron, Idaho  
Jeff Varga as designated representative for Acting Director Ann Gillespie, Illinois  
Victoria Hastings as designated representative for Commissioner Holly W. Lambert, Indiana  
Andria Seip as designated representative for Commissioner Doug Ommen, Iowa  
Craig Van Aalst as designated representative for Commissioner Vicki Schmidt, Kansas  
Commissioner Sharon Clark, Kentucky  
Tim Schott as designated representative for Superintendent Bob Carey, Maine  
Lloyd Cushman, Maine  
Nour Benchaaboun as designated representative for Commissioner Marie Grant, Maryland  
Sheri Cullen as designated representative for Acting Commissioner Kevin P. Beagan, Massachusetts  
Tammy Lohmann as designated representative for Commissioner Grace Arnold, Minnesota  
Jo LeDuc as designated representative for Director Chlora Lindley-Myers, Missouri  
David Dachs as designated representative for Commissioner Troy Downing, Montana  
Adam Clayton, Nebraska  
Jack Childress as designated representative for Commissioner Scott Kipper, Nevada  
Victoria Fowler as designated representative for Commissioner D.J. Bettencourt, New Hampshire  
Superintendent Alice Kane, New Mexico  
Michael Fahncke as designated representative for Acting Commissioner Justin Zimmerman, New Jersey  
Ted Hamby as designated representative for Commissioner Mike Causey, North Carolina  
John Arnold as designated representative for Commissioner Jon Godfread, North Dakota  
Chrystal Bartuska, North Dakota  
Dan Bradford as designated representative for Director Judith French, Ohio  
Commissioner Glen Mulready, Oklahoma  
Brian Fjeldheim as designated representative for Commissioner Andrew Stolfi, Oregon  
Glenda Villamar, Oregon  
Shannen Logue as designated representative for Commissioner Michael Humphreys, Pennsylvania  
Matt Gendron as designated representative for Director Elizabeth Kelleher Dwyer, Past Chair, Rhode Island  
Director Larry Deiter, South Dakota  
Jill Kruger, South Dakota  
Latif Almazan as designated representative for Commissioner Cassie A. Brown, Texas  
Commissioner Jon Pike, Utah  
Mary Block, Vermont  
Ned Gaines as designated representative for Commissioner Mike Kreidler, Washington  
Commissioner Nathan Houdek, Wisconsin  
Rebecca Rebholz, Wisconsin

Commissioner Jeff Rude, Wyoming

**Legislative Committee:**

Representative Matt Lehman, Indiana

Representative Brian Patrick Kennedy, Rhode Island

Representative James Dunnigan, Utah

**Consumer Advisory Committee:**

Fred Nepple

**Industry Advisory Committee:**

Andrea Davey, Protective Life Insurance Company

Wayne Mehlman, ACLI

Sarah Wood, IRI

**Insurance Compact Staff in Attendance:**

Karen Schutter, Executive Director

Becky McElduff, Director of Product Review Operations & Counsel

Sue Ezalarab, Consultant

Karen Givens, Assistant Director of Product Review Operations

Sarah Neil, Communications and Outreach Coordinator

Mindy Bradford, Senior Product Reviewer and Trainer

Alisha Williams, Intake Coordinator

Joe Bonfitto, Product Reviewer II

Director Dunning called to order the joint virtual meeting of the Management Committee and Commission. Ms. Schutter took the roll call of the Management Committee, the members of the Commission, Legislative Committee, and Industry and Consumer Advisory Committees. Ms. Schutter also announced that there were two new members of the Legislative Committee, West Virginia Delegate Dean Jeffries and Massachusetts Representative David Lebouef.

Director Dunning proceeded to the next item on the Agenda: Management Committee and Commission's consideration of amendments to nine Uniform Standards for Group Term Life and 10 Uniform Standards for Group Whole Life for adoption. Director Dunning stated that all amended standards were published for comment period on June 3, 2024, and on August 15, 2024, oral comments were received during the public in person meeting. At this time no comments have been received by the Commission during the rulemaking period, and they are now ready for final action. Director Dunning asked for a member of the Management Committee to make the first and second motions. Commissioner McVey made the motion, and Ms. Block seconded. A roll call vote was conducted. The motion received approval by two-thirds majority of the entire Management Committee and Commission. Director Dunning asked Ms. Schutter if she could provide a timeline for the effective date of these standards, and Ms. Schutter stated that the amendments will become effective on February 10, 2025.

Director Dunning moved to the next item on the agenda, the Management Committee and Commission's consideration of amendments to the Compact Bylaws for adoption. Director Dunning stated the purpose of

the pending amendments are for updating the role of the past chair position. The change in this amendment would allow a member who recently served as chair to fill the position, even when the immediate past chair is no longer in office. The position of past chair was added to the Bylaws in 2022. It was realized that the definition was too narrow and did not fully serve the best interest of the organization for purposes of leadership continuity. Without this amendment, there would be a vacancy in the past chair position, even though there may be a Commissioner who had previously served as chair. The amendments to the Compact Bylaws were published in July for written comments and oral comments were received at the August 15<sup>th</sup> public meeting. No comments have been received. Commissioner Rude made a motion to adopt the amendments to the Compact Bylaws, and Ms. Logue seconded. Director Dunning asked if there were any questions or comments. A roll call vote was conducted. The motion carried by a majority vote of both the Management Committee and Commission.

Director Dunning moved to the next item on the agenda, Management Committee's ratification of publication and public hearing on amendments to Uniform Standards for group disability income product line and group policyholder application. Director Dunning stated that this will be a public hearing to receive any oral comments on the amendments to the standards that the Product Standards Committee recommended to the Management Committee in September. Director Dunning asked Ms. Seip, chair of the Product Standards Committee, to provide an overview of the recommendation. Ms. Seip stated that the Product Standards Committee finalized the draft amendments for the group disability income standards to allow other than employer groups and to add amendments due to comments received during the five year review process completed at the end of August. Comments and requested amendments are summarized in the transmittal memo in appendices B and C. The Product Standards Committee did not receive any comments during the public calls that were held on July 9, 2024, and August 27, 2024. Director Dunning asked if there were any questions regarding the recommendation from the Compact or interested regulators, the Legislative Committee, Consumer and Industry Advisory Committees, or interested parties. Hearing no questions, Director Dunning opened the public hearing for any comments. Mr. David Bolton, a member of the public stated he preferred the initial disability product standards stay employer only, as there is a direct relationship between an employer and the disabled party. Mr. Bolton stated that he does not think the PSC is clear on whether associations and discretions trust are now included, and it can be very frustrating to consumers and those who are taking complaints, as well as staff in market conduct. Mr. Bolton stated that it should be cleared up if someone is disabled and living off of percentage max of 40 %,50%, or even 60% of their income when their medical expenses have increased due to the nature of the disability, it is a drastic hit. Director Dunning thanked Mr. Bolton for his comment. Mr. Mehlman stated that the ACLI plans to submit a written comment requesting that mix and match be allowed. This will allow insurers to file specific provisions the Compact standards may not contemplate via endorsement, certificate, or rider in a Compacting state. Director Dunning thanked Mr. Mehlman for his comment and asked if there were any further comments from the Commission, Legislative, Consumer Advisory and Industry Advisory Committees or any other party. Mr. Bolton stated that mix and match should not be allowed because of the integration of different provisions. Susan Bajusz of Prudential stated that the mix and match rules in the Compacting states do not allow companies to circumvent a requirement or particular law. It is successful for life insurance in the group space where there are employer specific provisions that can be unique. With the provisions that the Compact does not contemplate, insurers

that write group business would like the opportunity to just file in the state where the customer is located. Ms. Seip stated non-employer groups still have to be approved at the individual state level. This is applicable for the coordination of benefits type of issue that was discussed for these disability income products. The coordination across the policies is something that has been discussed in the Product Standards Committee and is part of the consideration in ongoing conversations they have had. Ms. Seip deferred to Ms. Schutter to add additional comments. Ms. Schutter stated this recommendation included the consideration of the extent of mix and match, and as such has been considered by the Product Standards Committee in making this recommendation. Director Dunning thanked everyone for their comments and asked were there any further comments or questions. Hearing none, the public hearing was concluded. Director Dunning reminded the group that the written comment period is open until November 15<sup>th</sup>, and all have the opportunity to submit comments in writing, and the amendments will be on the agenda for adoption at the Denver in person meeting.

Director Dunning continued to the next item on the agenda, a public hearing on the proposed 2025 Annual Budget and the proposed 2025 Uniform Standards Development Prioritization List. Director Dunning stated that the Finance Committee has presented its recommendations for 2025. The Officers have accepted these recommendations on behalf of the Management Committee, and they have been posted to the website and are now ready to receive a public hearing. Before opening up the floor for comments, Director Dunning asked Commissioner McVey as chair of the Finance Committee to provide the Committee's recommendation.

Commissioner McVey reported that the Finance Committee forwarded its recommendation for consideration by the Management Committee. The comprehensive budget package for 2025 includes two new budget proposals and the schedule of fees for 2025. The Finance Committee recommends a new full-time employee position for the Director of Regulatory Affairs. Commissioner McVey gave an update on the Commission's financials through the end of September. The Finance Committee held calls to review and discuss the budget package, including a public call on October 16, 2024, to expose and receive comments on the proposals; no public comments were received. Commissioner McVey asked Ms. Schutter to provide an overview of the recommended budget package, including the revenue alignment proposal and the request for a new position. Ms. Schutter reported the Compact Office is seeing product filing submissions where no two are alike in terms of the amount of time that goes into them. What drives review costs are the number of forms, the type of product, how many versions of the product are in the filing, the number of applicable standards, and the condition of the submission. The proposal is to charge the an amount that better aligns with the value of time required for Compact review. Ms. Schutter reported that the other proposal is a new full-time position. The proposed position is for a Regulatory Affairs Director, a senior position to create a dedicated regulatory affairs team. That function is currently spread across many members at the Compact Office. Commissioner McVey stated the Finance Committee worked very closely with Ms. Schutter and her team, and feel the budget is realistic, prudent, and equitable to better align with Compact's costs associated with the product reviews. Mr. Bolton spoke on the importance of having the Compact well-funded so there can be a thorough review. Director Dunning thanked Mr. Bolton for his comments and asked were there any questions from the Legislative Committee, Consumer Advisory Committee, or interested parties. Hearing none, Director

Dunning asked Commissioner McVey if there was anything further that he wanted to add before closing the public hearing related to the Finance Committee report. Commissioner McVey had nothing further to add.

Director Dunning then gave the floor to Ms. Seip to provide the Product Standards Committee's recommendation. Ms. Seip reported that the Product Standards Committee conducts an annual process for identifying and prioritizing all the Uniform Standards for the coming annual period. Under this process, members, regulators, the Compact Office, and anyone else can request development of a new or amended standard or for a new product line and benefit feature. The Compact Office posted all requests to the website that were received by July 1, 2024. The Product Standards Committee take the list of requested standards the list of carryover items from the current year, and they recommend how to prioritize those requests. The Product Standards Committee received 12 requests for new or amended standards for this year. Seven of those requests were from the ACLI and five from the Compact Office. The recommended Uniform Standards development prioritization list for 2025 can be viewed on the Events calendar. The process that the Product Standards Committee follows is similar to the process for the annual budget, where the PSC develops and recommends the prioritization list and presents it to the Management Committee and the Commission for consideration. The goal is to have this list adopted at the Annual Meeting so that it can be in place next year when the PSC begins work for the upcoming calendar year. This process ensures that the Commission is comfortable with the work done by the PSC. The PSC held two public calls on the list on August 27, 2024, and October 8, 2024, and received comments on the request and the suggested priorities. Ms. Seip concluded that she was happy to answer any questions. Director Dunning asked Ms. Schutter to address the communication the Compact Office received from three industry organizations regarding the recently adopted Indexed Linked Variable Annuity (ILVA) standards. The Compact Office received a joint letter on July 23, 2024, from the American Council of Life Insurers (ACLI) the Insured Retirement Institute (IRI), and Committee on Annuity Insurers (CAI). These organizations stated that the Section 3.Z of the ILVA Standard regarding the right to examine was not consistent with the product provision that have been approved or accepted by state insurance departments. In looking back at the rulemaking period, there were no comments stating this provision was incorrect or at issue. These organizations requested that the Commission reopen the ILVA standard, which were adopted in April 2024, to make a correction to the right to examine provision. The timeline has passed for the Product Standards Committee to consider this issue for inclusion on its current recommended prioritization list. As Ms. Seip stated, requests must be received by July 1<sup>st</sup>. The Management Committee can choose to add this item to the prioritization list before taking action to adopt. Another dynamic is Compact reviewers are in the process of documenting possible clarification to the ILVA standards based on their application of these new standards to several product filing. The ACLI/IRI/CAI letter is on the Events calendar for the Annual Meeting and the Management Committee will consider whether to add to the 2025 prioritization list. Director Dunning asked if there were comments or concerns from members of the Management Committee, members of the Compact, Legislative, Industry Advisory Consumer Advisory Committees, or anyone else on the call; there were none. Director Dunning reminded those on the call that written comments can be submitted to the Compact office by Friday, November 8, 2024.



Director Dunning proceeded to the next item on the agenda, the adoption of the Consent Agenda item. Director Dunning asked for a motion from a member of the Management Committee to adopt the Consent Agenda items. Commissioner Rude made the motion and Director Richardson seconded. The motion was carried by voice vote.

Before asking if there were any other matters to be brought before the Commission, Director Dunning stated that the Annual Meeting would be in Denver on November 16th, and that the Management Committee would also be holding a joint meeting with the Legislative Committee immediately before the Annual Meeting.

Hearing no other matters, Director Dunning asked for a motion to adjourn the meeting. Commissioner McVey made the motion, and Commissioner Rude seconded the motion to adjourn.



## MEMORANDUM

**TO:** Members of the Interstate Insurance Product Regulation Commission  
**FROM:** Commissioner Allan McVey, Treasurer  
**DATE:** November 16, 2024  
**SUBJECT:** **Report of the Insurance Compact Treasurer (\*As of September 30, 2024)**

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- To date, the Insurance Compact has collected a total of \$4,875,153 in both Compact fees and state filing fees in 2024.
- Of this total amount, the Insurance Compact received \$2,673,157 in its self-generated revenue since January 1, 2024. This amount is 4% under 2023 actuals. Actual 2024 revenues year-to-date are approximately 16.2% below the 2024 budget. More specifically, the Insurance Compact has earned:
  - \$1,176,085 in Compact Per Filing Fees – 1,163 products have been submitted.
  - \$1,440,519 in Annual Registration Fees – 271 companies have registered.
- The total number of forms submitted (1,898) within fewer product filing submissions is closer to the forms received (2,029) with more product filing submissions at this time in 2023. The volume of forms received in 2024 is 6% under the volume of forms received in 2023.
- The remainder of the fees collected by the Insurance Compact represents state filing fees of \$2,201,996, which are remitted directly to the Member States. This is 4% under the amount as of September 30, 2024.
- The Insurance Compact is currently operating approximately 11% under budgeted expenses. Actuals related to travel and the timing of the use of outside counsel are the drivers of the expense savings.
- The Insurance Compact has a change in net assets of \$296,697, which is approximately \$233,140 under the budgeted change in net assets. The Insurance Compact has a cash balance of \$877,274, which is \$332,912 under the cash balance as of September 30, 2023.
- The Insurance Compact made its fourth annual payment to the NAIC under the restructured debt arrangement. Under this 2020 agreement, repayment will be made on the principal balance of \$2,740,134 in ten equal annual installments. If the organization's cash balance is less than \$250,000 as reflected in the annual audited financial statements, the required repayment for the following year will be deferred and the repayment period extended accordingly. Upon the final payment on the principal, the accrued interest of \$712,733 will be treated as a contribution to the Commission. The current balance of the outstanding debt to the NAIC as of September 30<sup>th</sup> is \$1,808,789.
- The Insurance Compact Office monitors the performance of its revenues to budget and keeps the Officers, Management Committee, and Finance & Audit Committees regularly informed of its financial condition.

**INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION (INSURANCE COMPACT)**

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**DATE:** November 16, 2024

**TO:** Insurance Compact Management Committee

**FROM:** Insurance Compact Product Standards Committee

**RE:** Report of the Product Standards Committee Activities for the November 16 Joint Meeting of the Management Committee and Commission

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The PSC issued a survey to Compacting States for the purpose of gathering information about state laws and processes for value-added benefits. For purposes of this survey, Value-Added Benefits are defined as “benefits (goods and services) provided to policyholders that go beyond the provision of insurance (wellness services, legal services, discounts, etc.).” The Committee has received responses from 34 states and is following up with the remaining states. The PSC will discuss the results on its call in December and plans to have a public call to receive feedback.

The PSC is working on an item from the 2024 Uniform Standards Development Prioritization List to develop additional standards for Graded Death Benefit feature for the Group Term Life product line.