

Agenda Item 2: Overview of the Charter and Work Plan for 2022

Commissioner Stolfi asked if there were comments on the charter and work plan. There were no comments.

Agenda Item 3: Overview of Rulemaking Committee Proposed Framework and Operating Procedure for Use of Compact-Approved Products for Non-Employer Groups

Commissioner Stolfi summarized the activity in 2021 which included regulator and industry surveys and presentations from regulators and companies on aspects of the regulatory compliance process for non-employer groups. At the request of the Committee, the Compact Office drafted a framework and proposed operating procedure which the committee has reviewed and published for comment. Karen Schutter summarized the proposed Committee recommended framework and operating procedure. The underlying foundation of the proposed framework is that the group, whether it falls under employer or non-employer group, must be permitted by state law in the jurisdiction where the product is issued. She said the laws in the compacting state would continue to apply. Karen summarized the operating procedure which would define what is other than an employer group and filers would need to certify to the Compact that they would comply with state law. The draft would permit portability trusts and labor unions to come under the definition of employer groups for purposes of the procedure. PEOs would be permitted to come under the definition of employer group with the caveat that they must be allowed by state law. There is a drafting note that makes it clear that it does not change any definitions at the state level. A product filing would come through the Compact. There would be a process for a filer to file a certification that the product filing would not be issued in the state until the state approved the group, if that was required in the state. There is also a proposal that the Compact would collect the group information in the Statement of Intent filed with the Compact. The Commission would notify the compacting state when a filing was submitted for that state.

Agenda Item 4: Comments and Discussion on Recommended Framework and Operating Procedure

Commissioner Stolfi said two written comments were received. He asked if New York Life wanted to comment on its letter. New York Life summarized its response. New York Life was supportive of the process where the states approve whether a group meets state standards. New York Life was interested in uniform standards for group whole life insurance that would include nonemployer groups. They also requested that the Committee consider broadening its approach to leverage the uniform standards for individual life insurance products.

Commissioner Stolfi asked the ACLI if they wanted to comment on its letter. ACLI is supportive of the expansion to nonemployer groups. ACLI has submitted draft amendments to the group term life standards to expand the standards to nonemployer groups.

Commissioner Stolfi asked if there were any oral comments. There were no comments.

Agenda Item 5: Discussion of Next Steps

Commissioner Stolfi said there would be additional opportunities to comment. Any written comments can be submitted by April 29, 2022, to be considered on the next Rulemaking call. The Committee will consider the comments with the goal of finalizing and delivering its recommendation to the Management Committee by the end of June.

Agenda Item 6 Any Other Matters

Commissioner Stolfi said the next meeting of the Rulemaking Committee will be a regulator-only call on Friday, May 20 at 2:00 pm ET.