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UPCOMING COMMISSION AND COMMITTEE MEETINGS

Tuesday, July 13

Product Standards Committee
Regulator - to - Regulator Call
1:30 pm ET / 12:30 pm CT

Tuesday, July 27

Product Standards Committee
Regulator - to - Regulator Call
1:30 pm ET / 12:30 pm CT

Tuesday, August 10

Product Standards Committee
Public Call
1:30 pm ET / 12:30 pm CT

Thursday, August 12

Joint Meeting of the
Management Committee &
Commission - Columbus, OH
(or virtually)
3:00 pm ET / 2:00 pm CT

Tuesday, August 24

Product Standards Committee
Regulator - to - Regulator Call
1:30 pm ET / 12:30 pm CT

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LETTER FROM KAREN SCHUTTER, EXECUTIVE DIRECTOR

Greetings from the Compact! It's hard to believe we're already halfway through 2021, and it has certainly been a busy year for us so far. This newsletter is a way to share what we've been up to and keep our members informed of all these activities. We hope you enjoy it!

We're celebrating the 15th anniversary of our inaugural meeting this month. It's truly amazing to see how far we've come as an organization. The picture below was taken at that first meeting with just 27 members attending in Washington, D.C. Now we count 46 jurisdictions among our membership! I'm grateful for each one of you and the hard work you have put in over the years to make the Compact what it is today.

Speaking of in-person meetings (remember those?), our next Commission meeting is scheduled for Thursday, August 12 in Columbus, OH. We're excited to welcome back members attending in-person, but for those who cannot travel yet, you will have the option to participate virtually. We will also host a reception immediately after this meeting; more information will be available as the date gets closer. We hope to see you there!

As always, we are here for our members. Reach out to us anytime you have questions at comments@insurancecompact.org.




MEMBER CORNER

In this issue, we spotlight our Insurance Compact Chair, Beth Dwyer! Beth was appointed Superintendent of Insurance on January 11, 2016. For fifteen years before this appointment, she served as General Counsel and later as Associate Director within the Rhode Island Department of Business Regulation. Prior to government service, Ms. Dwyer was engaged in private law practice in California and Rhode Island specializing in litigation and insurance regulation.

Superintendent Dwyer enjoys playing with her dog, Seamus, in her free time. She also hosts an annual cookout celebrating Gaspee Days, which commemorates the first act of the American Revolution when Rhode Island colonists burned down the British ship, HMS Gaspee, in June 1772.



COMMITTEE AND WORKING GROUP ACTIVITIES

PRODUCT STANDARDS COMMITTEE

The Product Standards Committee (PSC) has been busy working on a number initiatives, including:

- * Referral of the options to amend or eliminate the 15% threshold for LTCi rate filings to the Management Committee for exposure.
- * Discussion of draft report of Five-Year Review Changes for Group Term Life and Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities.
- * Acceptance of Governance Committee referral to review product standards that conflict with Colorado law.

The PSC will also begin work on prioritizing uniform standard development for 2022.

ACTUARIAL WORKING GROUP

The Actuarial Working Group (AWG) is continuing its work on the interim value framework for registered-index linked annuities. It held a public call on April 21, 2021, to receive comments.

Additionally, the PSC referred the ACLI's request to increase the percentage of the cash value from 125% to 150% to the AWG for further review and recommendation. The request comes in reference to the Five-Year Review Changes for Group Term Life and Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities.

RULEMAKING COMMITTEE

The Rulemaking Committee met on June 22, 2021 to discuss the framework allowing companies to offer Compact-approved group products to non-employer groups. The Compact office will revise the draft based on the Rulemaking Committee's feedback, and the group will finalize the document at its next meeting and expose this draft for public comment.

AUDIT COMMITTEE

The Audit Committee received a clean report for its 2020 audit from independent audit firm, RSM LLP. The [2020 Annual Report](#) has been published to the website.

The Audit Committee also updated its Charter based on the recommendations from the independent governance review report.

FINANCE COMMITTEE

The Finance Committee met on June 23, 2021 to discuss the Compact's budget expenditures as of April, as well as a preview of the 2022 budget process.

The Finance Committee also reviewed its Charter approved by the Governance Committee and heard the Compact's request to backfill a filing reviewer position as of 9/1/21.

GOVERNANCE COMMITTEE

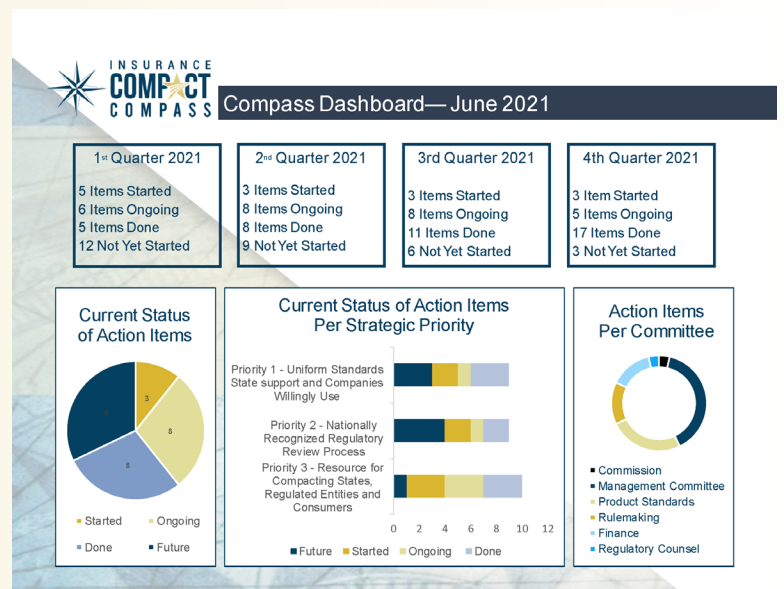
The Governance Committee met on June 1, 2021 and discussed exposing amendments to the Compact's by-laws for public comment. Notice went out to Commission members on June 16, 2021, and comments are due no later than July 16, 2021.

STRATEGIC PLAN UPDATE

We are making progress on the Strategic Plan. We have completed 8 items in 2021, which include:

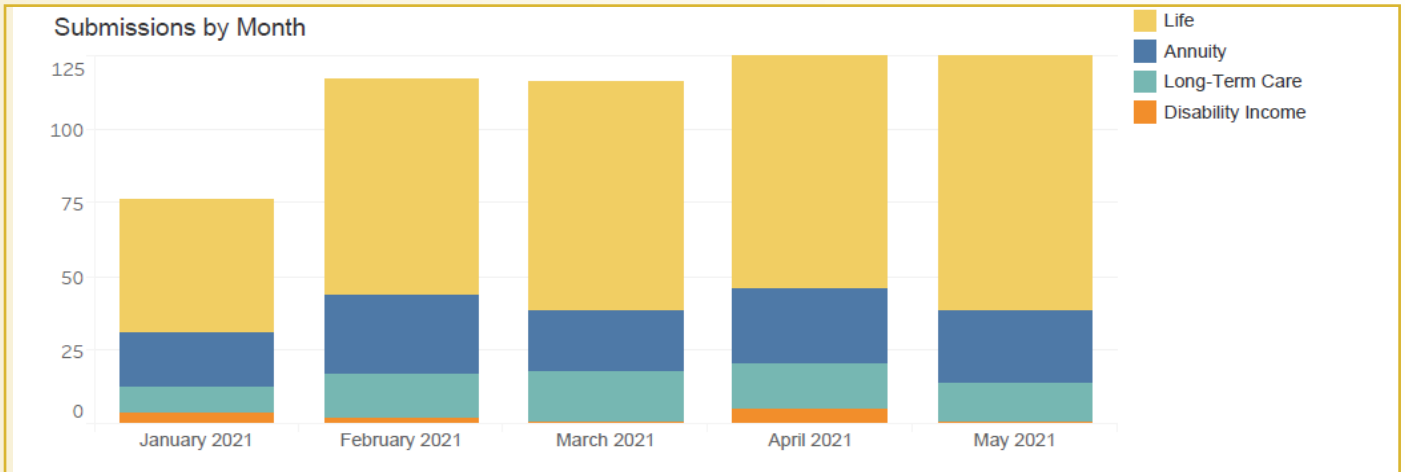
- * Develop guidance for use in Uniform Standards development process
- * Develop identification and prioritization of new Uniform Standards
- * Open Committee Meeting process
- * Develop permanent expedited review process
- * Hire Member Service Coordinator
- * Compact Governance Review
- * Convene focus groups of Compact constituents
- * Restructure of repayment

You can see how the rest of the Strategic Plan is going on the Compass Dashboard, which is also located on the [Compact's website](#).



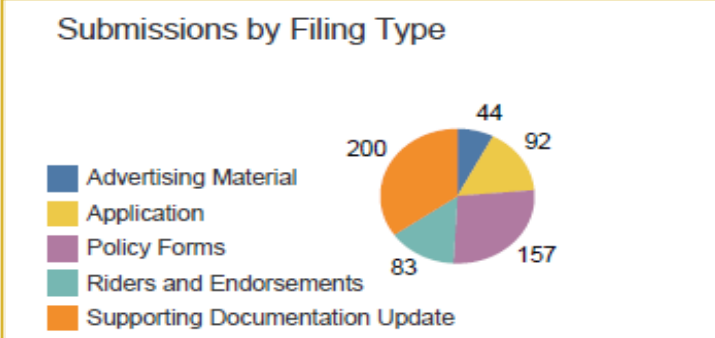
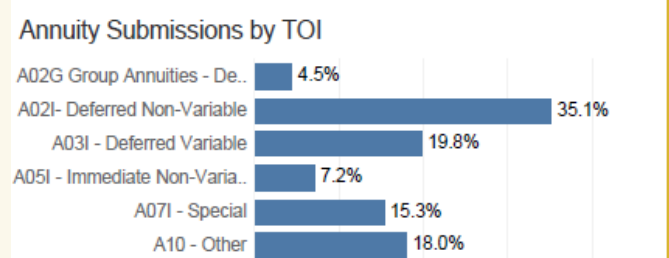
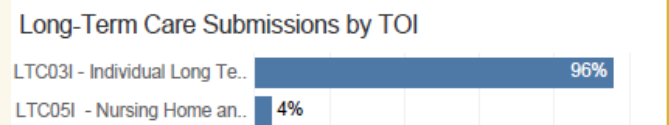
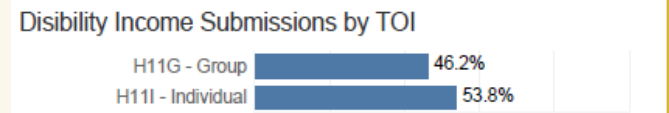
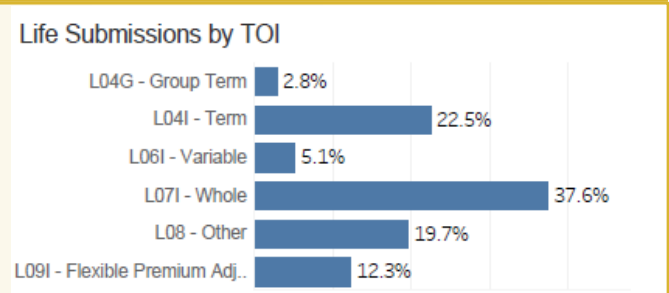
COMPACT PRODUCT FILING STATISTICS

AS OF MAY 31, 2021

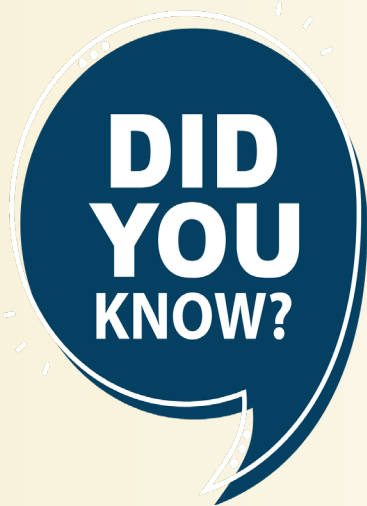


Approval Time (avg)*	25
Companies Registered	235
Forms Submitted	1,105
Products Received**	596
SERFF Transactions***	22,103
States/Filing (median)	44
Submissions Received	576

* The time for product approval is calculated utilizing business days and excludes the company response time to objection letters, as defined in §105 of the "Product Filing Rule".
 ** "Products Received" is defined as the number of policies/contracts submitted in a filing. When a filing does not contain a full policy/contract, the products received count is 1.
 *** "Transactions" refers to the total number of SERFF transactions that have been made through the Insurance Compact.



REGULATORY HOT TOPICS



The Compact continues to receive life insurance filings from companies updating their products due to Internal Revenue Code Section 7702 revisions, as well as certain revisions to the Valuation Manual adopted by the NAIC in 2020. Companies are permitted to either file new policy forms or update the Supporting Documentation to a previously-approved filing, provided they follow the instructions in [FILING INFORMATION NOTICE 2017-1](#).

The Compact has also developed a resource page for filers and members alike to get more information on this topic, and it can be found on the Compact's website: https://insurancecompact.org/documents/fin_2020_1_faq.pdf.