

Framework for Implementation of Non-Employer Group Use of Compact -Approved Products

- A. Current Status of Group Uniform Standards
- i. Can be used for employers, or the trustees of a fund established by an employer, that are permitted in the jurisdiction where the policy is delivered or issued for delivery.
 - ii. Adopted group standards include group term life insurance products, group disability income insurance products, single premium group fixed annuity products, and group guaranteed interest contracts for non-variable annuities. Group policyholder application standards applies across available product lines.
- B. Amend the Group Uniform Standards to Expand Scope
- i. Add a clear statement that eligibility and qualification for a group falls within the authority (including the prior approval authority as applicable) of the Compacting States.
 - ii. Consider expanding the scope of employer or add specific definitions for labor unions, professional employer organizations, and possibly pooled employer plans.
 - iii. Add clear statement that approval of a group product by the Insurance Compact shall not be deemed as approval to use or issue the product to a non-employer group. (See Partnership statement in the [Core Standards for Individual Long-Term Care Insurance Policies](#)).
 - iv. Consider clarifying the scope of an employer to include a portability trust established specifically for, and limited to, providing portability coverage for employees and their dependents whose coverage ends under an employer's plan.
 - v. To facilitate compliance with state-specific non-employer group type requirements, determine if changes are necessary to the Variability of Information section or General submission requirements section.
 - vi. To accommodate terminology that may be used in group product forms for non-employer groups such as "association" instead of "employer," and "member" instead of "employee," amend the group Uniform Standards to provide an appendix to denote terminology and definitions, if applicable, for non-employer group types similar in nature to the Appendix for Fraternal Benefit Societies in the individual life insurance and annuity product Uniform Standards.

- C. Develop an Operating Procedure (or amend the current [Product Filing Rule](#))
- i. The purpose is to document the process for filing and reviewing group insurance products issued to a non-employer group permitted or approved, as applicable, by a Compacting State.
 - ii. The authority is Article X of the Insurance Compact, which authorizes the Commission to establish appropriate filing and review processes and procedures for products approved by the Commission
 - iii. A group insurance product approved by the Insurance Compact may be issued only to non-employer groups permitted or approved, as applicable, by the participating Compacting States.
 - iv. The Compact will review and approve group insurance products for compliance with Uniform Standards, which permit the use of variability and terminology to address differences among non-employer group type.
 - v. The filer will submit a certification signed by a company Officer in the filing to certify it will only use the Compact-approved product for non-employer groups which are permitted or approved, as applicable, by each of the Compacting States included in the product filing.
- D. Operational Workflow for Compact and State Filings
- i. Company submits a group product filing to the Compact for review and approval.
 - a. A new submission requirement identifying all group types intended to be issued the product and an acknowledgement the filer will not issue to a specific group in a Compacting State unless filer is authorized (including complying with applicable filing requirements) to issue to that group under state law.
 - b. Only if a filer has received approval from a Compacting State for authorization of a non-employer group, if applicable, it will list the filing information in the Statement of Intent which will have a hotlink for the state to the state filing in SERFF.
 - c. Filers will list all specific groups to which the product will be issued in all applicable Compacting States.
 - d. If a filer has not yet filed or received approval of the specific group in the Compacting State, as applicable, it must wait for approval by the Compacting State before it can add to the Statement of Intent Schedule.
 - e. Certification signed by an Officer on the Statement of Intent Schedule – “The company certifies the eligibility of specific groups listed on the Statement of Intent Schedule meets the definitions and requirements of each applicable

Compacting State on this filing. The company further certifies the Compact-approved product will not be issued to a specific group unless it has met the definitions and requirements of each applicable Compacting State and is added to the Statement of Intent Schedule within 90 days of action by the Compacting State, if applicable.”

- ii. Upon Compact filing, the Compact Office (Intake Coordinator) will notify the designated representative(s) in the Compacting States that a group product filing has been submitted with the Compact Office and the filer has indicated it will be issued to non-employer groups and list the group type identified under the new submission requirement described in Step One.
- iii. The Compact Office will maintain a listing of group product filing submissions where the filer has indicated it will be issued to non-employer groups. Approved, pending, and withdrawn group filings will be listed on the regulatory-only Collaboration Space. The Compact Office will send a listing to each Compacting State on a quarterly basis of the group product filing submissions where the filer has indicated it will be issued to non-employer groups with a listing of group type identified.
- iv. The filer submits a separate state filing for approval, if required under state law, of the specific group type and provides the SERFF Tracking No. for the Compact-approved group product filing so that the Compacting State may access the filed forms. The Compacting State can view the Compact-approved product through SERFF and follow-up with the Compact Office regarding questions and concerns with the group product filing submission.
- v. When a group product filing already approved by the Compact will be used for additional non-employer groups, in states requiring the approval of specific non-employer groups, the filer is required to follow the state-specific requirements in place before it can add the non-employer group to the Compact product filing and issue accordingly. The filer is subject to Step One, items b through e, for any additional non-employer group to which a Compact-approved product filing will be issued. Additional groups may be added to the Statement of Intent schedule of the applicable Compact product filing. The filer is not required to submit a new Compact product filing for use with an additional group.