



MEMORANDUM

May 17, 2019

To: Interstate Insurance Product Regulation Commission

From: Oregon Division of Financial Regulation

Subject: Oregon Comments on Additional Standards for Return of Premium for Individual Disability Income Insurance

Thank you for the opportunity to submit additional comments on the Additional Standards for Return of Premium for Individual Disability Income Insurance.

General Comments

Consistent with previous comments, Oregon remains concerned that the process for developing product standards and seeking public comment on IIPRC matters, specifically from compacting states, lack transparency and reduces meaningful input from regulators. We are interested in understanding how IIPRC staff have reached out to compacting state to seek input on the proposed standards. Specifically, what steps has the IIPRC taken to inform compacting states that have remained inactive been to ensure the state is aware of status of these product standards? What type of information will be provided to compacting states generally to ensure an accurate vote? State participation on IIPRC calls is often limited, so it is difficult for states to speak candidly about market concerns or ongoing issues on particular matter. We continue to encourage the IIPRC to adopt a more transparent process and work with compacting states to develop opportunities to provide meaningful regulator participation.

Oregon is also concerned with the timing of the Additional Standards for Return of Premium for Individual Disability Income Insurance – which appears to be occurring outside the established five year review process. While Oregon understands energy from industry stakeholders to expand consumer options for the recently adopted Individual Disability Income Insurance standards, we also have a statutory charge to ensure consumer protection and a sound business environment. We encourage the IIPRC to work closely with compacting states to ensure states have an opportunity to understand the proposal and how it will impact consumers and market.

Comments on Additional Standards for Return of Premium for Individual Disability Income Insurance

The Additional Standards for Return of Premium for Individual Disability Income Insurance present the opportunity for insurers to create an additional opportunity for profit – without an equal return to consumers. We encourage the IIPRC to allow states the opportunity to learn more about how insurers will use this product type in the market before moving forward with these standards.