

# Insurance Compact Update

Sara Dubsky, Senior Operations Manager

Louisiana Compliance Seminar, Breakout Session  
June 22, 2017



## Agenda

- ✦ Overview of the Insurance Compact
- ✦ Insurance Compact Today
- ✦ Quality Control
- ✦ Uniform Standards - 5-Year Review & What's New
- ✦ Available Tools on the Website
- ✦ Supporting Documentation Update Filing Process
- ✦ Internal Questions to Ask
- ✦ Contact Information

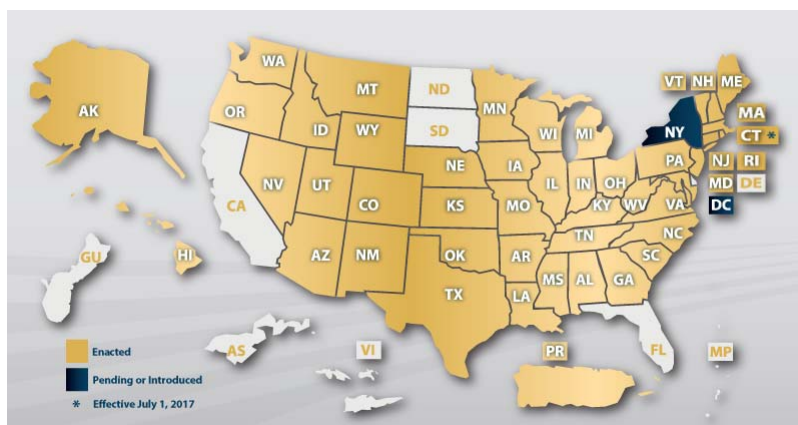


## Overview of Insurance Compact

- ✦ Compact filings submitted through the System for Electronic Rate and Form Filing (SERFF)
- ✦ File one submission under one set of standards for one review and one approval valid in all Compact jurisdictions
- ✦ Uniform Standards for individual and group life & disability income, and individual annuities & long-term care
- ✦ No state opt-outs of individual life or annuity Uniform Standards

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## Insurance Compact Today



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## Compact Review Team

- ✦Mindy Bradford & Ed Charbonnier - Life Review Team
- ✦Karen Givens - Primary Annuity Reviewer
- ✦Maureen Perry - Primary LTC/DI Reviewer
- ✦Katie Campbell - Full-time Actuary
- ✦Jeanne Daharsh - Full-time Actuary
- ✦Aimee Lawson - Product Filing Support Coordinator
- ✦Becky McElduff - Assistant Director of Product Ops
- ✦Anne Marie Narcini - Regulatory Consultant
- ✦Sara Dubsy - Senior Operations Manager
- ✦Karen Schutter - Executive Director



# Questions?



## Tips to Keep in Mind

- ✦ Select only the states company is currently licensed in
- ✦ Filing Submission Requirements determined by the TOI and Filing Type
  - ✦ Combo products file under LTC or DI
- ✦ Montana requires unisex versions of forms
- ✦ Complete Associated Filings
- ✦ Check Insurance Compact Website



## Quality Control

- ✦ Version Control
  - ✦ Previously Approved Forms for Similar Submissions
  - ✦ Actuarial Memorandum & Statement of Variability
  - ✦ Objections - Satisfied in the most recent version of the form
- ✦ SOI Consistency
  - ✦ Use the SOI Template
    - ✦ Data is consistent especially for OR & MT
    - ✦ Can be saved for additional filings



## Quality Control

- ✦ Specification Page Requirements for Riders & Endorsements
  - ✦ Uniform Standards & All Benefit Features Uniform Standards
  - ✦ Part of the Rider/Endorsement document or separate form on the Form Schedule
  - ✦ If part of the base policy spec pages, submit sample
  - ✦ Hypothetical, realistic data that is consistent with other contents of the separately filed forms
  - ✦ Remember the §2, A. (5) requirements



## Quality Control

- ✦ Use SERFF Filing Access
- ✦ Search and download Compact-approved filings
  - ✦ Approved forms
  - ✦ Supporting documentation
  - ✦ Statement of Intent Information
  - ✦ Correspondence with filer
- ✦ Does not include trade secret information
- ✦ Always choose "Life, A/H, Annuity . . ." business type



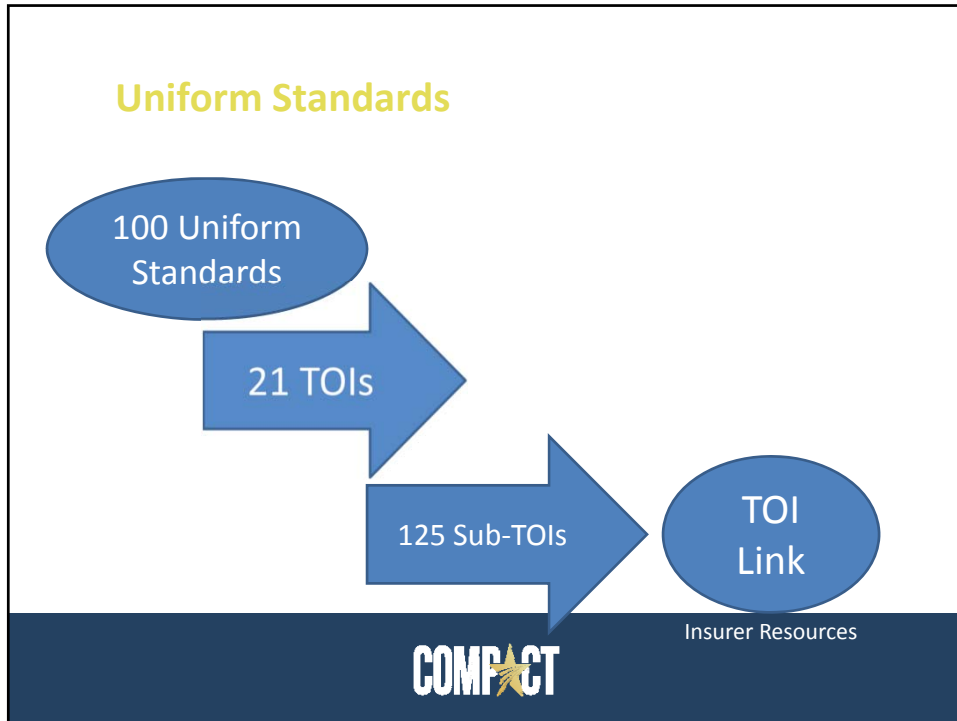
# Questions?



## Uniform Standards

- ✦ 100 Uniform Standards adopted to date
  - ✦ Individual Life (40+)
  - ✦ Individual Annuities (20+)
  - ✦ Individual Long-Term Care (10)
  - ✦ Individual Disability Income and Business Overhead Expense (9)
  - ✦ Group Term Life for employer/employee (10)
  - ✦ Group Disability Income for employer/employee (7)
- ✦ Combination product filings accepted





**COMPACT** DOCKET DEVELOPING STANDARDS RECORD ADOPTED STANDARDS CONSUMER RESOURCES INSURER RESOURCES REGULATOR RESOURCES

### Record Adopted Standards

Listed below are the Uniform Standards and Operating Procedures pending action by the Commission. Please click the "+" button to the left of each standard name to view details about the proposed rule.

#### Index of Available Uniform Standards

Click on the link above to find a particular Uniform Standard. More information related to the Uniform Standards and their Standard History may be found below in the Record.

UNIFORM STANDARDS - INDIVIDUAL		
+ INDIVIDUAL APPLICATION		
- INDIVIDUAL TERM LIFE PRODUCT LINE		
Citation Number	Name of Standard/Procedure	Effective Date
IIPRC-L-04.1 Standard Checklist	Individual Term Life Insurance Policy Standards	Dec. 5, 2016 Standard History
IIPRC-L-04.1.1 Standard Checklist	Individual Single Premium Term Life Insurance Policy Standards	Dec. 5, 2016 Standard History
IIPRC-L-04.1.2 Standard Checklist	Individual Joint Last to Die Survivorship Term Life Insurance Policy Standards	Dec. 5, 2016 Standard History
IIPRC-L-04.1.3 Standard Checklist	Individual Single Premium Joint Last to Die Survivorship Term Life Insurance Policy Standards	Dec. 5, 2016 Standard History
+ INDIVIDUAL WHOLE LIFE PRODUCT LINE		

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### Five-Year Review of Uniform Standards

- ✦ All Adopted Standards and Rules are reviewed on a rolling five-year basis
- ✦ Did the circumstances or underlying assumptions change since the last time the rule was adopted or amended?
- ✦ Substantive Changes, Clarification Changes, Conforming Amendments, Technical Corrections
- ✦ Product Standards Committee recommends to the Management Committee, then exposed for 60-day comment period



### Five-Year Review of Uniform Standards

- ✦ Phase 6 was the review of iLTC Standards
  - ✦ To be adopted next week with amendments effective in October
- ✦ Phase 7 - Private Placement, Graded Death for Whole Life & Overloan Protection
  - ✦ Public Hearing on Monday, June 26<sup>th</sup>
  - ✦ To be adopted in August with amendments effective in November
- ✦ Phase 8 – Individual Disability Income Standards
  - ✦ Product Standards Committee beginning review
  - ✦ Final recommendation to Management Committee late Fall






## Five-Year Review of Uniform Standards

### Docket Developing Standards

Listed below are the Uniform Standards and Operating Procedures pending action by the Commission. Please click the "+" button to the left of each standard name to view details about the proposed rule.

RULEMAKING		
Uniform Standards		
Amendments to Uniform Standards		
+	Phase 7 as Noticed on January 5, 2016	
+	Phase 6 as Noticed on July 1, 2015	
Operating Procedures		
Amendments to Operating Procedures		
ADVANCED RULEMAKING		
Name of Standard/Procedure	Issued	Comments Due
No advanced rulemaking procedures are on the docket at this time.		
5-YEAR REVIEW OF UNIFORM STANDARDS, OPERATING PROCEDURES & RULES		
Subject Matter of the Proposed Rule: Pursuant to Section 112 of the Rule for the Adoption, Amendment and Repeal of Rules for the Interstate Insurance Product Regulation Commission, the Rulemaking and Product Standards Committees hereby commence the process to review the rules, operating procedures, and uniform standards effective on or before as noted below.		
Pursuant to the Procedures for Implementing § 115 of the Rulemaking Rule for Commission Review of Rules adopted on March 2, 2012, the Rulemaking and Product Standards Committees are requesting comments on the need for continuation, repeal or amendment of the rules, operating procedures, and uniform standards identified below. Comments in favor of repeal or amendment should describe how circumstances or underlying assumptions have changed since the last time the rule was amended. Please do not include any personally identifiable information or confidential business information that you do not want publicly disclosed.		
All comments may be submitted electronically to <a href="mailto:comments@insurancecompact.org">comments@insurancecompact.org</a> or by mailing to IIPRC 444 North Capitol Street, NW, Suite 700 Washington DC 20001		
<b>APPLICABLE RULES SUBJECT TO FIVE-YEAR REVIEW</b> (The text of the rules and full rulemaking history may be found on the IIPRC's Rulemaking Record:		
+	Phase 8 as Noticed on January 5, 2017:	



## Where to Find the Amendments

- ✦ Amendments pertain to forms filed after effective date; resubmission or suspension of previously approved forms is NOT required
- ✦ Amended Uniform Standards are on the Record
  - ✦ Information under Standards History including redlined versions ("Name of Proposed Rule")

Effective Date

Dec. 5, 2016

Standard History

Amendments to Uniform Standards

- + Amendments Adopted August 2008
- + Amendments Adopted October 2010
- + 5-Year Review Amendments Adopted August 2014
- + War Exclusion Amendment Adopted August 2016



## What's New with the Uniform Standards?

- ✦ Annuity Death Benefit Proceeds Amendments
  - ✦ Exposed for public comment early July on the Docket; final action in November
  - ✦ Information currently available on the Event Calendar
- ✦ Additional Standards for Incidental and Ancillary Benefits for Life Insurance Products in the drafting stage; exposure for public comment late June / early July



## Uniform Standards: How You Can Help

- ✦ Follow the PSC meetings; If a product doesn't have standards, let us know
- ✦ Consider best practices that can be incorporated into new standards
- ✦ Offer to assist with drafting or product education
- ✦ Balance consumer protections and Industry initiatives

**MEMBER COMMITTEES**  
 Actuarial Working Group  
 Audit Committee  
 Communications Committee  
 Finance Committee  
 Product Standards Committee  
 • Call Summaries

PSC Call Summaries on  
 About the IIPRC page



# Questions?



## Tools Available on Insurance Compact Website



DOCKET  
DEVELOPING STANDARDS

RECORD  
ADOPTED STANDARDS

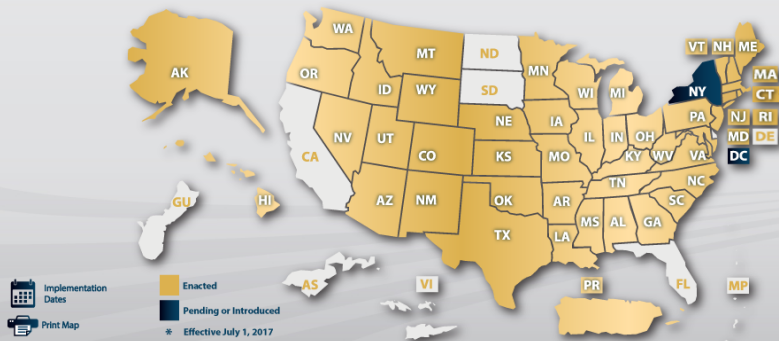
CONSUMER  
RESOURCES

INSURER  
RESOURCES

REGULATOR  
RESOURCES

### The Interstate Insurance Product Regulation Commission

serves insurance regulators, consumers and providers by improving the efficiency and effectiveness in the ever-changing insurance marketplace.



ABOUT THE IIPRC

CONTACT US

FAQs

WEEKLY TIPS

## Tools Available on Insurance Compact Website

✦ Also on the home page...

The screenshot shows the top navigation bar with links: ABOUT THE IIPRC, CONTACT US, FAQs, and WEEKLY TIPS. Below this are three main content areas:

- LINKS:** A vertical list of links including COMPACT STATUTE, BYLAWS, ETHICS CODE, ANNUAL REPORTS, ANNUAL BUDGETS, **FILING INFORMATION NOTICES (FIN)** (circled in blue), MINUTES, PRODUCT FILING STATISTICS, STATE PREMIUM VOLUME CHART, and **SERFF FILING ACCESS** (circled in blue).
- NEWS & ANNOUNCEMENTS:** Three news items with dates: "Anticipating the Newest Member of the Compact 5/3/17", "Insurance Compact Assembles, Releases Annual Report 4/7/17", and "Compact Names New Legislative Committee Members 3/16/17".
- MEETINGS & EVENTS CALENDAR:** A calendar for June 2017 with the 6th highlighted in orange.



## Tools Available on Insurance Compact Website – Insurer Resources

The screenshot shows the "Insurer Resources" page with a header: "Thank you for your interest in the Interstate Insurance Product Regulation Commission (IIPRC). On this page you will find information that will be helpful as you prepare to submit filings with the IIPRC. Please click the links in each area to access information." Below the header are four columns of resources:

- Step-by-Step Directions:** Creating a Compact Filing Form, How to Add a State, Annual Registration Fee Filing Instructions (Updated 12-3-13), Associated Filings.
- Reference Materials:** Pre-Filing Communication Form (Updated 11-6-15), Index of Available Uniform Standards, Filing Information Notices (FIN), IIPRC Type of Insurance (TOI) Link (Updated 9-10-14), Weekly Tips Archive for the IIPRC, Best Practices Checklist, Name Change Checklist.
- State Specific Information:** Compacting States with Prohibitions Related to Disabilities Resulting from Mental Health and Substance Abuse Conditions (Updated 6-9-16), Accelerated Death Benefit Written Statement Requirement Information (Updated 12-4-14), State Contact Information (Updated 9-29-14), LTC State Specific Information (Modified State Schedule Permitted and Daily Minimum Requirements) (Updated 7-28-14).
- SERFF Reference Materials:** System for Electronic Rate and Form Filing (SERFF), Statement of Intent Template Instructions, Preformatted SOI Excel Spreadsheet, Statement of Intent Certification Form.

Yellow arrows point to "Step-by-Step Directions", "Pre-Filing Communication Form", "Weekly Tips Archive for the IIPRC", "Fees", and "Member State Filing Fees".



## Tools Available on Insurance Compact Website – Weekly Tip Archive

**Weekly Tips Archive**

The Weekly Tip emails are published on a weekly basis. If you would like to get them sooner than when they are archived on the IIPRC website, make sure that you are a registered user with the IIPRC. If you have any questions regarding the Weekly Tip topics or registering with the IIPRC, please contact the IIPRC Office.

[Weekly Tip Index](#)

Click the link above for a comprehensive listing of all Weekly Tips sent out by the IIPRC Office, sorted by category.

**Search Within Results**

Type here

**Tips by Year**

- 2017
- 2016
- 2015
- 2014
- 2013
- 2012

**Tips by Category**

- All Uniform Standards
- Annuity Product Line
- Disability Income Product Line
- Filing Processes
- Life Product Line
- Long-Term Care Product Line
- Miscellaneous
- Mix and Match/SOI

**Insurance Compact Weekly Tip: Annuity Application-Only Filings** May 25, 2017

Category: Annuity Product Line

The Insurance Compact has just enacted a new Type of Insurance (TOI) and Filing Type to permit company filers to file application-only annuity filings. The Insurance Compact has enacted the TOI A10 Annuities – Other to be used for application-only filing submissions. [read more...](#)

**Insurance Compact Weekly Tip: Which Disability Standards?** May 18, 2017

Category: Disability Income Product Line

Now that the Insurance Compact has a full suite of disability income insurance product Uniform Standards for the individual and group markets, occasionally we receive a filing submission that misidentifies the applicable Uniform Standards for a benefit based on total disability. Mistakes in this area can lead to confusion about the intended product design, applicable requirements and reviewer assignments, ultimately putting an unnecessary drag on the review time. [read more...](#)

**Insurance Compact Weekly Tip: Updating the List of Available Indices in Your Actuarial Memorandum** May 11, 2017

Category: Filing Processes

Companies that offer Compact-approved individual life insurance and annuity products with index features will want to pay attention to this Weekly Tip, in which we address the best practice for updating and adding to the list of available indices for a product. [read more...](#)

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# Questions?



## Supporting Documentation Update Filing Process

- ✦ Filing Information Notice 2017-1: Process for Revisions to Forms and Supporting Documentation in Compact Filings (Issued 3/9 & Effective 4/1)
- ✦ An updated, documented process to be more consistent
- ✦ Creates a new filing type available for all TOI – Supporting Documentation Update



## Supporting Documentation Update Filing Process

- ✦ Add a State, SOI Updates, Foreign Language Translation Certifications, Typographical errors
- ✦ Pending Filings or Filings Currently Under Review
  - ✦ Objections Issued = no further edits; new filings
  - ✦ No objections issued = edits permitted to the submitted for
- ✦ Closed filings
  - ✦ "Closed-Withdrawn" / "Closed-Disapproved" require a new submission
  - ✦ Close for more than 90 days or forms have been issue means a new SDU filing submission



## Supporting Documentation Update Filing Process

- ✦ Select TOI from original filing submission
- ✦ Specific Filing Submission Requirements
  - ✦ Specific guidance published in series of Weekly Tips
  - ✦ No forms
  - ✦ Supporting Documentation Schedule
  - ✦ No mix and match permitted
  - ✦ State Fees and Compact Fees applicable
    - ✦ Actuarial Review or no Actuarial Review

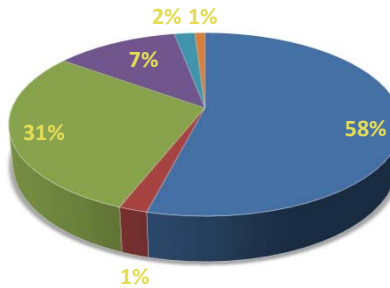


# Questions?



## 2017 Stats

■ Individual Life                      ■ Group Life  
 ■ Annuity                                ■ Long Term Care  
 ■ Individual Disability Income   ■ Group Disability Income



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## Questions to Ask

- ✦ How long does it take to get a product fully approved if filed state-by-state in the 45\* Compacting States?
- ✦ How many different versions of one form must be prepared if filed state-by-state?
- ✦ How many submissions must be made if filed state-by-state and how many state reviews must be managed?
- ✦ How many variations must be programmed and tested to deploy state-approved forms?
- ✦ How many developments or roll-outs does it take to fully implement a state-filed form/product in the 45\* Compacting States?

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## Compact Filing Tips – From a Carrier's Perspective

- ✦ Do your homework!
  - ✦ Understand and incorporate Compact standards in all filings
  - ✦ Look to prior filings to see what has been required in the past
- ✦ Talk to the Compact before submitting a complex filing
  - ✦ Complete Pre-Filing Communication form and consider trade secret implications
- ✦ Talk with the Compact reviewers to clarify objections and questions



# Questions?



## **CONTACT IIPRC**

For more information, please contact us at:

**[Comments@insurancecompact.org](mailto:Comments@insurancecompact.org)**  
**[www.insurancecompact.org](http://www.insurancecompact.org)**

**Phone: (202) 471-3962**

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