

Up to Speed with Interstate Compact

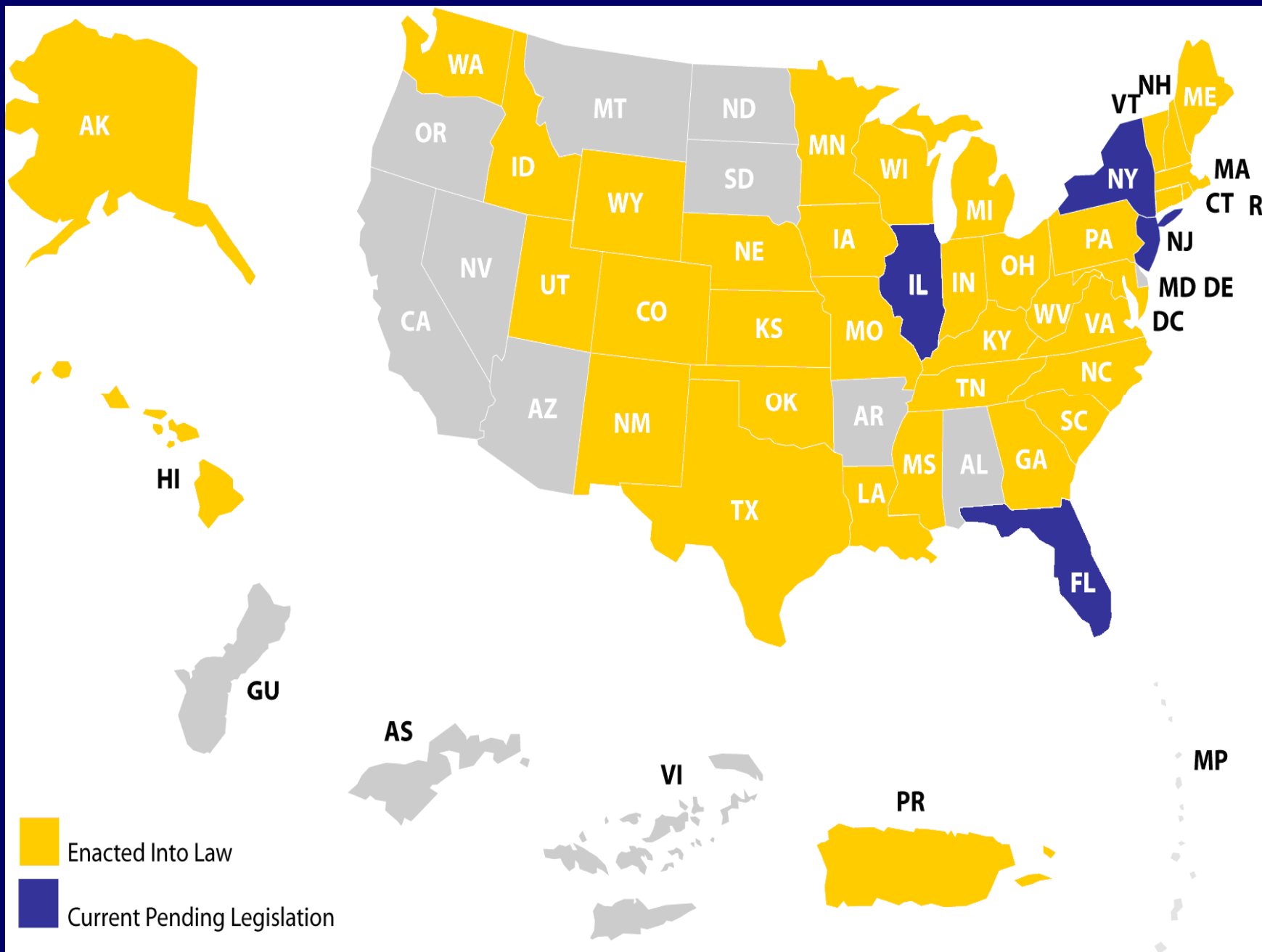
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INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION



States, Strength & Speed Aligned

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Overview of Insurance Compact

- Innovative vehicle formalizing joint and cooperative action among states
- Leveraging regulatory expertise to establish Uniform Standards
- Central clearinghouse for prompt review of asset-based insurance products

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 approval valid in all Compact jurisdictions today.

Products Covered

- Individual and Group Products
 - ❖ Life
 - ❖ Annuities
 - ❖ Disability Income
 - ❖ Long-Term Care
- Long-Term Care Advertisements
- Long-Term Care and Disability Income Rates

Basis of Uniform Standards

- Model Laws if they exist
- Laws, regs or Desk Drawer Rules in effect in the majority of states
- Best Practices, if state regulation (or interpretation of model laws) is varied or lacking
- All requirements are carefully documented to be understood by company and reviewer

Uniform Standards

- Uniform Standards apply over conflicting state laws
- The Uniform Standards are listed by Product line and then by TOI
- Provisions in the Uniform Standards are presented in alpha order

Development of Uniform Standards

- Public comment period and hearing
- Notice to state legislative committees
- Supermajority requirement (2/3 of Management Committee and 2/3 of Commission)
- Rulemaking docket and record on web site
- Standard effective 90 days after promulgation

Development of Uniform Standards

- NAIC National Standards WG Subgroups develop initial draft
 - Life
 - Annuity
 - Long-Term Care
 - Disability Income
- ACLI and member companies provide substantial drafting assistance and input
- Transmit to IIPRC Product Standards Committee

Development of Uniform Standards

- 57 Uniform Standards adopted to date
- Individual Life product line adopted
- Individual Annuity product line near completion
- Individual Long-Term Care Standards under consideration by Management Committee
- Initial Individual Disability Income drafted
- Working on Group Standards

IIPRC Uniform Standards

- IIPRC more comprehensive and straightforward
- IIPRC more challenging in some areas
 - Bar may be raised for some requirements (but Compacting states may adopt those requirements anyway)
 - Compliance may require system changes or product redesign
- IIPRC reflects consensus of all states, which may override single state interpretation of a model law

Product Review Operations

- One set of Uniform Standards with submission requirements set forth in alphabetical order
- One submission through SERFF
- One filing review (compared to multiple reviews)
 - Verify IIPRC and State Filing Fees
 - Primary Review
 - Actuarial Review
- One approval in up to 36 compacting states

Product Review Operations

- All resources needed to register and complete your Product Filing are found on web site: www.insurancecompact.org
 - Uniform Standards
 - Operating Procedures
 - Filing *Information* Notices
 - Filing Fee information
 - TOI Link

Other Compact Developments

- Our Newsletter "Up to Speed with the Compact"
- Website Redesign – The Record
- On Line, on Demand Tutorials now available – Industry Resources
- New Part-time Product Reviewer
- SOI Enhancements – Template functionality

QUESTIONS?