



# Insurance Compact Update

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Insurance Compact Executive Director



## What's Happening at the Compact

- Expedited Review Process
- New Uniform Standards
- New Reviewers
- New Legislative Activity
- New Strategic Plan



## Expedited Review Process

- Life – 4 filings in queue & Annuity (2 in queue)
- Compliant and straightforward so review smooth
- Compact fee is double applicable fee
- Form review in 5 business days
- Actuarial review in 5 business days thereafter




## Expedited Review Process

- Filer must respond within 3 business days
- No more than 10 forms / 8 Uniform Standards
- 2 Compact filings in each of past 3 years including within TOI of ERP filing
- Last 3 filings, no more than 5 rounds of correspondence each



## Expedited Review Process

- Pre-authorization required
- Request by e-mail to [expedited@insurancecompact.org](mailto:expedited@insurancecompact.org)
- First-come, first-serve basis (one at a time)
- If queue is full, added to waiting list



**“The overall process was great. The Compact effectively communicated and the entire process was efficient.”**

**“Smooth from start to finish. We look forward to using this process for future filings”**

**“It's been a godsend!”**

**“This was an excellent experience. My only comment for improvement is to make this a permanent program instead of a pilot program.”**

*“Having an expedited review process is beneficial. The additional fees are reasonable and the requirements for a fast turnaround for both the company and the reviewers makes this a useful tool for those circumstances.”*



## Group Annuity Standards for Employer Groups

- Single Premium Group Fixed Annuity Contract Standard (effective 1/1/2020)
- Group Annuity Certificate Standards
- Amendments to Group Policyholder Application Standard
- Group Guaranteed Interest Contracts for Non-Variable Annuities



## Priority List Items

- Amendments to Overloan Protection to include whole life (effective 11/17/2019)
- PSC working on Amendments to Waiver of Premium and Waiver of Monthly Deduction for additional triggers
- Actuarial Working Group working on Indexed-Linked Variable Annuities Standard





## Priority List Items

- PSC working on Waiver of Surrender Charges for Life Products
- Misc. – Additional Standards for Return of Premium for Individual DI (effective 1/1/2020)
- PSC Workplan / Priority List / Call Summaries on About the Compact webpage



## Compact Utilization Statistics

- 256 Companies registered YTD, 233 in 2018
- Filing volume 40+% higher than 2018
- Mix and match decreasing at 28% YTD
- Average review time 32 business days YTD excluding company response time to objection letters



## Compact Team Members

Intake	Reviewers	Actuaries	General
Sara Dubsky	Maureen Perry	Jeanne Daharsh	Karen Schutter
Hanna Steen	Karen Givens	Katie Campbell	Becky McElduff
Lucy Smoucha	Ed Charbonnier	Naomi Kloeppersmith	Anne Marie Narcini
Aimee Lawson (ERP)	Mindy Bradford		Sara Dubsky
	Aimee Lawson		Lucy Smoucha
	Yada Horace		Hanna Steen



## Compact Legislative Activity

- District of Columbia joined 3/6/2019
- Connecticut lifted opt out of disability income standards and now participating in IDI and GDI
- Hawaii lifted opt out of LTC and now participating in iLTC for products approved after 11/2017
- Possibly South Dakota and Delaware in 2020



## Strategic Planning

- Insurance Compact Strategic Plan expected to be finalized in December – draft on website
- 3 Priorities
- 9 Objectives
- 24 Action items



## Priority 1

- **Uniform Standards States Support and Companies Willingly Use**
- Robust: Reflect strong consumer protections
- Relevant: Reflect product offerings available in Compacting States
- Reasonable: Reflect product requirements not unduly prescriptive



## Priority 2

- **Nationally Recognized Regulatory Review Process**
- Responsive: Provide prompt review & turnaround times
- Reliable: Provide consistent, thorough quality reviews
- Regulatory Collaboration: Provide information & processes to facilitate state market & financial regulatory functions for Compact-approved products



## Priority 3

- **Resource for Compacting States, Regulated Entities & Consumers**
- Responsible: Provide excellent and accountable information & services
- Respected: Retain qualified & experienced staff
- Ready: Provide proactive information on Compact activities & be accessible source of information





## Other Compact Items

- Advanced Calculation Fee: \$100 for Compact to calculate proper fees saving overpayment and fee objections
- Still need to file CSO 2017 filings: find simplest way to update nonforfeiture basis and FILE NOW!
- No Fee Increases in 2020
- Look for webinar series in November and January



## COMPACT QUESTIONS

- Visit [www.insurancecompact.org](http://www.insurancecompact.org)
- E-mail [comments@insurancecompact.org](mailto:comments@insurancecompact.org)
- Call 202-471-3962