What is an Interstate Compact?

- Agreement between two or more states.
- Address issues that cross state boundaries
- Enacted in substantially similar form

- Offer and acceptance
What is the Interstate Insurance Product Regulation Compact?

- Agreement among states created through law
- IIPRC central clearinghouse
- Prompt review and regulatory approval of insurance policy forms for member states
How is the Insurance Compact Formed?

1. States pass Compact legislation
2. Create the Interstate Insurance Product Regulation Commission
3. IIPRC operational once 26 member states or +40% premium volume join IIPRC
Powers of the Compact

• Develop Uniform Standards for Product lines
• Receive and provide prompt review of Products filed
• Approve Product filings that satisfy applicable Uniform Standards
Products Covered Under the Insurance Compact

- Life
- Annuity
- Long Term Care
- Disability Income
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.

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Principles of the Compact

• Binding contract between the participating states
• The terms of the compact control over conflicting state laws
Principles of the Compact

• Member State Opt Out rights for Uniform Standards
  – By legislation any time
  – By regulation at adoption
Principles of the Compact

• Uniform Standards apply to product content
  – If it is in the form, it is subject to the uniform standards
Product Standards Committee

• Regulators from 20 member jurisdictions
• Selected by Insurance Commissioners
• Charged with developing and updating uniform standards for product lines offered by Insurance Compact
• Transparent process with active participation from all interested parties
Participants in the Uniform Standard Development Process

- Legislative Committee
- Consumer Advisory Committee
- Industry Advisory Committee
- Compact Product Standards Committee
- Other Insurance Compact member regulators
- Non-Compacting States, Industry, other Interested Parties
Developing New Uniform Standards

• Management Committee holds Public Hearing
• Insurance Compact Office sends notice to state legislative committees of intent to adopt Uniform Standard
• Supermajority approval (2/3) required
  ➢ Approval by Management Committee (10)
  ➢ Adoption by Commission (30)
• Effective after 90-day promulgation period
• Compacting State can opt out by regulation within 10 days after promulgation or by legislation at any time.
• Insurance Compact Office works closely at every stage to facilitate member concerns and questions.
Legislative Committee

• Created in Compact Statute
• 8 Compacting State Legislators
• 4 appointed by NCSL by zones
• 4 appointed by NCOIL by zones
• NCSL and NCOIL work together to achieve reasonable political and geographic balance
• Monitor and provide input on all Commission activities
Legislative Committee

• NCOIL Appointees
  – Indiana Senator Travis Holdman
  – Alaska Representative Sam Kito (did not seek reelection)
  – Kentucky Representative Steve Riggs (did not seek reelection)
  – Vermont Representative Bill Botzow (did not seek reelection)

• NCSL Appointees before 8/2/2018
  – Maryland Senator Delores Kelley
  – Arkansas Senator Jason Rapert
  – Ohio Senator Bob Hackett
  – Hawaii Senator Ruth Baker

• NCSL Appointees after 8/2/2018
  – Connecticut Senator Bob Duff
  – Georgia Representative Matt Dollar
  – Illinois Representative Laura Fine
  – Utah Representative James Dunnigan
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