NATIONAL COUNCIL OF INSURANCE LEGISLATORS
LIFE INSURANCE & FINANCIAL PLANNING COMMITTEE
2023 NCOIL SUMMER MEETING – MINNEAPOLIS, MN
JULY 21, 2023
DRAFT MINUTES

The National Council of Insurance Legislators (NCOIL) Life Insurance & Financial Planning Committee met at the Minneapolis Marriott City Center Hotel in Minneapolis, MN on Friday, July 21, 2023 at 3:00 PM.

Representative Carl Anderson, (SC), Chair of the Committee, presided.

Other members of the Committee present:

Rep. Deborah Ferguson, DDS (AR)
Rep. Rod Furniss (ID)
Rep. Matt Lehman (IN)
Sen. Michael Webber (MI)
Sen. Walter Michel (MS)
Sen. Jerry Klein (ND)
Asw. Pam Hunter (NY)
Rep. Tim Barhorst (OH)
Sen. George Lang (OH)
Rep. Ellyn Hefner (OK)
Rep. Tom Oliverson, M.D. (TX)
Rep. Amy Walen (WA)
Sen. Mary Felzkowski (WV)
Del. Steve Wesftall (WV)

Other legislators present were:

Rep. Brian Lohse (IA)
Rep. Megan Srinivas (IA)
Rep. Camille Lilly (IL)
Sen. Michael Fagg (KS)
Sen. Beverly Gossage (KS)
Sen. Arthur Ellis (MD)
Del. Mike Rogers (MD)
Sen. Vickie Sawyer (NC)
Asm. Erik Dilan (NY)
Rep. Bob Peterson (OH)
Rep. Forrest Bennett (OK)
Rep. Mark Tedford (OK)
Del. John Paull Hott (WV)

Also in attendance were:

Commissioner Tom Considine, NCOIL CEO
Will Melofchik, NCOIL General Counsel
Pat Gilbert, Director, Administration & Member Services, NCOIL Support Services, LLC

QUORUM

Upon a Motion made by Rep. Deborah Ferguson, DDS (AR), NCOIL President, and seconded by Del. Steve Westfall (WV), the Committee voted without objection by way of a voice vote to waive the quorum requirement.

MINUTES

Upon a Motion made by Rep. Tom Oliverson, M.D. (TX), NCOIL Vice President, and seconded by Del. Westfall, the Committee voted without objection by way of a voice vote to adopt the minutes of the Committee's March 10, 2023 meeting in San Diego, CA.

CONTINUED DISCUSSION ON NCOIL LIFE INSURANCE IS A PROMISE FOR LIFE MODEL ACT

Rep. Anderson stated that we'll start today with a discussion on the NCOIL Life Insurance is a Promise for Life Model Act (Model). This won't be much of a discussion, but rather more of a brief update, since the sponsor of the Model, Sen. Travis Holdman (IN), NCOIL Immediate Past President, wasn't able to be here today. You can view the Model on page 268 in your binders and on the website and the app. Sen. Holdman did ask me to report to everyone that since he was not able to be here today and since there has been significant regulatory development on this issue among the States, he would like the Model to be held at this meeting and he would like to see how things develop over the next few months before possibly moving the Model further at our next meeting in November. It may end up being that such regulatory activity reaches a level that makes the Model unnecessary and that states that are interested in responding to this issue can utilize the Resolution that NCOIL adopted on this issue as guidance.

The Hon. Nat Shapo, former Illinois Insurance Director and speaking now on behalf of the Life Settlement Association (LISA), thanked the Committee for the opportunity to speak and stated that I'll give a quick update just to give a little more detail on what was just said, Mr. Chairman. I represent LISA and the life settlement companies interest in this is that they see that these enhanced cash value offers as unfair competition and they're basically mimicking life settlements but not following the extensive consumer protections and the Life Settlement Act, and also violating basic life insurance pillars of the insurance codes, such as unfair discrimination, and the standard nonforfeiture law's smoothness requirement. We presented on this multiple times and appreciate the opportunity and the interest of NCOIL very much. I think it's pretty obvious the correlation between NCOIL's interest and some substantial activities in the states. We now count nine states that we're aware of that have taken some kind of action on these products, including three which recently have declared filings to have been in violation of the code and have effectively rescinded those. We're continuing to meet with regulators and appreciate their willingness to kind of take a second look at the issue and they've been open minded and have had good dialogue and discussions on that. And we'll continue to do that and it's an important oversight review function that legislators carry out and it's been terrific attention you've given to this since the Fall of 2021 and we really appreciate that and a part of oversight is continuing to follow up and we thank you for that.

Rep. Anderson stated that if there are any questions on this Model, please reach out to Sen. Holdman, myself or the NCOIL staff.

PRESENTATION ON MINNESOTA PROJECT TO INCREASE ACCESS TO LONG-TERM SERVICES AND SUPPORTS

Steve Schoonveld, FSA, MAAA, Managing Director, Global Insurance Services at FTI Consulting, thanked the Committee for the opportunity to speak and stated that I'm pleased to talk about what's going on currently in Minnesota and it's very convenient that you are meeting here in Minnesota given that this project just began a few months ago. So as you heard yesterday from Minnesota Assistant Commissioner Julie Marquardt, Minnesota does a lot of things well within health insurance and they do a lot of things well in long term services (LTS) and supports as well. I'll refer to long term care (LTC) and LTS simultaneously. It means the same thing. As I promised I will provide a quick update on LTC insurance products and usually you do that with sales. So the slide you see now takes you through the sales between 2021 and 2022 and when you look at the screen, just note there was a significant increase in sales in

2021 due to the Washington State programs exemption deadline in the fall of that year. So essentially a Washington State fire sale happened and at the top you notice that sales were impacted by 37% more than usual for hybrid products in that year and 118% more in the standalone space. So when you put those two to discount the Washington fire sale effect, the minus 22.4% increase in sales over 2021 and 2022 is actually a positive 13% increase. That fire sale had its own issues and you can talk to me about that afterwards if you want but not good for here necessarily. Furthermore, Life Insurance Marketing and Research Association (LIMRA) surveys its members that are currently selling, so the numbers that come from LIMRA, don't really consider the in force block as much. So I've updated that to include the National Association of Insurance Commissioners (NAIC) Form one information which has over five million of in force stand alone LTC policies in the nation. You add that to the hybrid products which are truly LTC as well in many ways, and we're close to about seven million policies in force today dealing with through the private insurance market and through a slew of carriers. Now, one thing you take away from this slide and might be new to you and others in the audience is that we're not just talking about standalone LTC. We're talking about a plethora of ways people can fund their LTC needs. Hybrid life insurance with LTC. Hybrid annuities, not summarized here, but there are hybrid annuity and LTC products. There's also short term care and supplemental benefit products as well. Supplemental health products as well.

A second observation here as you can see I calculated the average premiums in 2022 and for standalone LTC you see that average premium was $3,737. In the hybrid space around $7,500. Clearly out of the range for most in the middle class and so I wanted to bring that up as well that yes, there's industry that's serving a population quite well here, but not reaching the middle class and hence the need for this work in Minnesota. So let me go on to that. One last observation about today's industry. So the industry is focused now on wellness care coordination and innovative product designs. In the past few months, there have been three or four new carriers entering the market with product designs and markets that differ from the past, including variable life chassis products, joint life solutions with LTC, new carrier entrants with wellness incentives and programs that are baked into the product. So encouraging people to stay healthy, stay well, stay in their home and not need LTC services and supports which is what we all want, correct? So also including care coordination and support is a major focus now of the innovative products we're seeing today and companies are implementing these for the in force as well. It's not just for new business. But you may have also heard that there was once over 100 carriers selling standalone LTC and there's only 12 left now but let's drill down on that a little bit. And then the second bullet up there talks about this. So according to Form one of the NAIC experience report of the top 20 carriers within in force LTC policies, 14 are still actively in the market. They may have pivoted to hybrid products. They may still be in the stand alone space, but 14 out of 20 are still in the market. It's a pretty good number. And then when you look at the remaining companies, 80 of them have less than 10,000 policies. If you have less than 10,000 policies were you really in the market is my question. And there it’s an average in force of about 1,500 policies. So that means that 34 companies have 10,000 or more in force policies today based on that and the NAIC reporting form. So the notion that there are hundreds of carriers selling LTC is just overstated or exaggerated. Yet some carriers attempted to sell LTC policies, but ceased rather quickly for many reasons. Maybe distribution didn't appreciate it. Maybe they found another avenue for their clients. The lackluster sales might have been just the client base that that carrier particularly serves. And then some might have changed direction from a company that is working an individual to a company, maybe working in the group space. So there's more than just that. And finally, there's the impact of Medicare Advantage.

So I mentioned here the insurance product diversity, but there are other sources where LTC needs are met. For example on the bottom of the slide here, Medicare Advantage plans there are 3,000 Medicare Advantage plans in the country, 500 of which cover adult daycare, transportation and meals. Medicaid Managed Long Term Services and Supports (MLTSS) plans, manage acute and LTC for the dual Medicaid populations and half the states have such programs with a lot of private insurers and companies often risk bearing entities for that care. And paid family medical leave (PFML), Minnesota just passed PFML during the last session and that's a key solution for many, many folks out there. And then finally, there are significant community resources and waiver programs and Medicaid alternative care programs that help reduce that demand. All right, that was your update on the LTC industry. Let's talk about Minnesota and what we're doing. Here in Minnesota, the Department of Human Services issued an RFP in collaboration with their Own Your Future initiative. This initiative has been exploring LTS reform for over 10 years and the goals as you see on the slide are to: improve access to LTS for Minnesotans that typically do not qualify for Medicaid; examine and evaluate integrated LTS funding options; and transform the LTC funding system in its totality. The goal is to encourage simplicity, integration, equity, and accessibility of LTS services. So Minnesota's work is about right now the process to finding that solution that's unique for Minnesota. Like I said, Minnesota does a lot of good things well in the health and the LTC and LTS space. So they need to build upon that. We had FTI put together a three team approach with Altarum and the Actuarial Research Corporation (ARC) to help Minnesota and the Own Your Future campaign through this process and we put stakeholders together to have comprehensive recommendations, which are due later this fall. And those stakeholders include the needs of individuals, families, caregivers and the lack of caregivers, government programs, insurance programs and other types of stakeholders, including consumer representatives. And so this stakeholder group, made-up of Minnesotans who are knowledgeable and experts, are thinking about their friends, their neighbors and their families in Minnesota rather than a predetermined solution. So it's been a very interesting stakeholder conversation for the last few months.

And then simultaneously there are additional projects underway that provide a deep dive into the data on LTS and the need to enhance the caregiver supply and support. So the Minnesota Department is putting together a series of research studies that complement one another and have looked at look at various angles, including the lack of caregiver supply that's anticipated in the coming. Those findings have each been very, very complementary to one another. So they're developing a set of implementable embedded recommendations. We keep joking that this report is not going to get dusty, either virtually or physically and it'll be ready to go come Fall. But the key is that each state is different. Each state has different economics around their LTS needs. They have different maturity in terms of how they deal with the Medicare population and this is specific to Minnesota. So many state legislators and Offices of Aging are starting with studies like this rather than just proposing options they've heard from afar and see if it will play in here. Public, private, coordinated plans that were offered in the RFP for us to examine are on the screen now and generally these fall under these categories, but the stakeholder group has actually gone in a different direction. You'll see that in a moment. But these four typical plan designs are kind of a back end catastrophic plan, which kind of covers the risk beyond two or three years. And you might have heard that in something called the “Wish Act” which was a nationally discussed endeavor to kind of replace Medicaid. Number two is a similar catastrophic plan, but focused on kind of long duration home and community support so not as broad of a program. And then number three is an early intervention program that's similar to Washington Cares. That gets some funds in people's hands initially so that they're able to remain in the home stably. And then incentives to enhance the access to LTC insurance coverage. What did this stakeholder group decide to focus on? And this is where we kind of lightheartedly talk about the red box up there. So what's the target population that they're really focusing on? So we took Minnesota specific data, which covered the programs already present to examine the populations that are least served, that are missing out essentially until they're qualified for Medicaid. And as you can see here, the middle income level has very few options. You know they're relying on private pay. They rely on one another for care. And there's little for this population to turn to when they need the care navigation support.

So, think about this. Think about yourself. If you have a care need or a loved one with the care need, where would you go? Who would you call? You'd probably call a friend. It would be nice to have a care support, care navigation structure that the state might sponsor to enable people to find the care they need when they need to find the programs that can help them as well. So we call this the red box as the slide says and the goal is to keep many from departing that box, slipping into Medicaid. And the X's you see in the box for the Older Americans Act, the Medicaid early waiver programs and alternative care programs are there to interject and go upstream and keep the individual and the family from falling into Medicaid. So those are the waiver programs you hear about the 1115 and so forth that enable states to help reduce that demand on Medicaid. And here in Minnesota, they work very, very effectively. They're just not well known quite yet. So now we're not looking to undo what's working well in Minnesota, but to build upon it and enable it to do more and integrate for the benefit of Minnesotans and the desire to reduce Medicare reliance. I just want to highlight a few areas where Minnesota is doing a tremendous job on the slide here. And that's the partner agencies, the Senior LinkAge Line and the Minnesota Senior Health Options (MSHO) program where there are eight carriers, some for profit, some not for profit that are doing those programs, those Medicare and Medicaid dual eligible programs where someone gets a coordinated level of care. It's not about acute in one bucket and LTC needs in another bucket. It's not about your hospital needs in one bucket and your facility needs in another bucket. They manage it together and it works very effectively and keeps the heads out of the beds if you will. It keeps them home and in a stable and safe environment and a cost effective environment. So they've been doing that for more than 25 years and have been very successful with that primary acute and LTC service delivery. Why not the people in the red box? Why shouldn't they have the same type of care coordination structure? Now the stakeholders did identify some areas of improvement by the stakeholder group. A strong need for LTS education. I kind of mentioned that already. The historically underserved populations, the vulnerable populations. Yes, in Minnesota, there's a lot of rural populations as well as tribal populations too, that tend to be underserved and they want those to be addressed as well in a robust way.

And then again, like I said before, technology accessibility, the workforce, are part of the solutions. And then finally that caregiver support and navigation. Again trying to go upstream with these interventions to keep people off of Medicaid. So what are some of those potential designs that stakeholder groups come up with? They focused on care navigation and supports more so than financing initially. Yes, the financing is critical but yet having that care navigation and support structure is important. The need for educating family and friends and neighbors is even greater and the program Minnesota has in place works well but needs to be better leveraged. So we call it Senior LinkAge on steroids. So Senior Link Age is a great program reaching out to consumers, but it doesn't reach enough yet so we're trying to enable that even further. Option one you see on the screen here. One of the potential designs that is under consideration by the stakeholder group is an early intervention and support approach where picture this as a care navigation service or a website or an app where Minnesotans of all levels of need can get support. In the red box, above the red box, below the red box. I jokingly say behind the red box sometimes. Trying to focus on all Minnesotans so they know where to go for support. That would include some type of informal caregiver training, access to programs that we discussed earlier, and even a marketplace for home and community based services and a marketplace for LTC insurance, short term care insurance, or other kind of supplemental insurance products. So that's option one. Option two borrows from those MLTSS plans I mentioned earlier and tries to go upstream with that care coordination and this one is important because trying to tie the acute care needs and the LTC needs together in a coordinated way is what people want. They don't want to be divided. They want to have one quarterback to go to for their assistance across the spectrum. Like I said, it's been very successful in Minnesota, also in Florida and California. And why not for the red box? But this can be accomplished with a supportive one year benefit plan which begins at 60 or 65. You purchase it at 60 or 65. It could be a mandated plan with some subsidies for the non-Medicaid population because why would you want to provide a mandated program when someone already has coverage through Medicaid?

And then there could be options to enhance and lengthen their coverage voluntarily. Other than the mandate to purchase, this design could be done today. No regulations in any state that I know of, and I filed many products before across the nation, would have to change in order to bring kind of the Medicare side and the LTC side together. And it would be portable as well. So nothing would have to change in insurance regulation and it could readily increase the LTC insurance carrier supply as well, because you'd have individuals focused on both managing Medicare and their LTC needs and if they do it well, they can win twice. So finally option three is the catastrophic coverage type plan that's similar to the "Wish Act." It's intended to remove the Medicaid spend down from many in the red box. It removes it with a two year waiting period instead. Questions though that the stakeholder group has on this is how does this integrate with Medicaid? And we're trying to find ways to resolve that so that the state is not turning away federal Medicaid funds, but finding ways to kind of reapportion them within the overall program. So one thing to keep in mind here is that these are potential designs. They have options. Is it payroll tax funded? Is it premium funded? That's still yet to be discovered. It doesn't need to be that a payroll tax approach necessarily. It may or may not be employer or employee based. And then general revenue funding may be appropriate or a blend of these approaches. But the goal is to find out what works for Minnesota and what would work for your state specifically as well. So my last slide is how do we determine what works? And part of what the RFP called for is essential criteria. And this is something that came out of the work about 12 years ago with the Academy of Actuaries and the Society of Actuaries and we developed only seven essential criteria elements back then. The stakeholder group in Minnesota came up with 11 so they added some good ones, some non-actuarial ones, which I was very pleased to see. And you can see up on the screen here we have access, cost efficiency, benefit, sustainability, all the way down to the supportive side where if it's adaptable, if it's understandable and if there's equity of access. In a state like Minnesota where you've got rural, urban and tribal, you need to have equity of access.

So what this does is it allows the stakeholder group to examine the totality of the LTS system and say I have a proposed change like option one or option two and then they can evaluate how effective that option is. And you get into a scheme of where you're not thinking about the best interest of those stakeholders, you're thinking about the evaluation of the entire system. So this framework works very well so far in comparing these options so that you can get to something that works extremely well. Now, we also asked them to evaluate the current system and those scores you don't want to see. But going forward, the idea is that with these criteria elements in mind can we improve the access for Minnesotans to the LTS they really need? Particularly in the red box but yes, applying to the entire population in total. So like I said, our work is nearing completion. We anticipate a report by early Fall. If you or your colleagues are contemplating similar proposals, keep in mind that a study is necessary to develop that recommendation and it needs to be your state specific. Every state is different when it comes to their Medicaid approaches and their LTS approaches. And so having that unique study and not just borrowing from across the nation from somebody else's program is essential. It's very important.

Rep. Anderson thanked Mr. Schoonveld and stated that there are many of us that are sitting around the table where we’ve got a few more years and we'll be at 65 so we're grateful for the information and what you have done in Minnesota and sharing it with us.

DISCUSSION ON NCOIL RESOLUTION OPPOSING THE RETURN OF A U.S. DEPARTMENT OF LABOR FIDUCIARY RULE

Rep. Anderson stated that next on our agenda is a discussion on a Resolution Opposing the Return of a U.S. Department of Labor (DOL) Fiduciary Rule (Resolution), a Resolution which I'm sponsoring. You can view the Resolution on page 271 in your binders and on the website and app. The Resolution is very straightforward and builds upon a Resolution that NCOIL adopted in 2016 when the DOL was in the process of developing a similar fiduciary rule that was ultimately vacated by the courts. You can view that Resolution in your binders on page 273 and on the website and the app. The DOL is back at it again. As you can see from both Resolutions, the main issue is that there simply isn't a need for federal involvement in this area of revising professional responsibilities for financial professionals providing investment advice. That area is reserved for the states and under the proven state based legislative and regulatory structure tens of millions of Americans have been able to receive sound retirement assistant products and services from financial professionals who have consistently served the best interests of customers. Furthermore, 39 states have already adopted the NAIC's Stability and Annuity Transactions Model Regulation addressing conflicts of interest and the promotion and sale of annuities. And as an agent myself, I know the importance of always acting in the best entrance of my clients but that doesn't mean that unnecessary federal government intervention here is appropriate. The state based regulatory structure governing the manufactured distribution and sale of retirement related financial products is effective and proven.

Bianca Alonso Weiss, State Gov’t Relations Manager at the National Association of Insurance and Financial Advisors (NAIFA) thanked the Committee for the opportunity to speak and stated that NAIFA is proud to have collaborated with NCOIL to draft this Resolution. NAIFA supports a standard of care for securities and investments that both adequately protects consumers and preserves the ability of lower and mid market investors to access affordable professional advice. NAIFA believes that a broad fiduciary approach could adversely impact this group from accessing investment products, advice and services and fails to recognize the inherent differences between the investment advisor and broker dealer business models. Financial protection should not limit financial security options. NAIFA encourages regulators and policymakers to support the best interest standard to significantly enhance consumer protections without making financial products inaccessible for working class Americans. Since the DOL first began its fiduciary regulatory project, the consumer protection landscape in the U.S. has changed significantly. The first development was the 2019 promulgation of a rule by the Securities and Exchange Commission (SEC), referred to as Regulation Best Interest or Reg BI. This rule provides strong protections to consumers who engage as registered representatives of broker dealers on a commission basis to purchase products considered to be securities. The states are now adopting similar rules for insurance agents who recommend annuities based on the amended Suitability in Annuity Transactions Model adopted by the NAIC. To date, 39 states have adopted this rule or a similar version. NAIFA actively participated in the SEC and NAIC deliberations to require financial professionals to work in the best interest of their clients without limiting consumer choice or creating barriers that could prevent all Americans from accessing needed financial products, services and advice. The

SEC's Reg BI and the NAIC model protect our members, clients and all American consumers from potential conflicts of interest in these situations without returning to the failed DOL fiduciary only policy. NAIFA applauds Rep. Anderson for spearheading and sponsoring this Resolution and urges NCOIL to move adoption. We are looking forward to continuing efforts to ensure the DOL refrains from further rulemaking to revive or enact a burdensome fiduciary standard.

Rep. Anderson stated that I do note that some technical and editing changes need to be made to the Resolution in the form of correcting the reference to the NAIC model regulation and other formatting changes. They are all technical and non-substantive. Okay. I will now entertain a motion to adopt the Resolution with those technical changes to be made. Upon a motion made by Rep. Matt Lehman (IN), NCOIL Immediate Past President, and seconded by Sen. Jerry Klein (ND), the Committee voted without objection by way of a voice vote to adopt the Resolution with those technical changes to be made. Rep. Anderson thanked the Committee and stated that the Resolution will now be placed on the Executive Committee agenda for final ratification.

UPDATE ON INTERSTATE INSURANCE PRODUCT REGULATION (IIPRC) ACTIVITIES

Rep. Anderson then recognized Sen. Mary Felzkowski (WI), Vice Chair of the Committee, who presided over the remainder of the Committee's meeting. Sen. Felzkowski recognized Karen Schutter, Executive Director of the Interstate Insurance Product Regulation Compact (IIPRC) for an update on the latest IIPRC activities and developments.

Ms. Schutter thanked the Committee for the opportunity to speak and stated that NCOIL has been a longtime supporter of IIPRC even before it was developed. You worked side by side with your regulators to draft the Compact as we call ourselves now and to really help modernize the product approval process for life annuities, LTC and disability income. These are products that compete with your banking and securities products and had historically been very inefficient to go state by state to get those filed because they're really the same product. You can take them and move to another state or move into your state. So unlike your homeowners and auto, these are really mobile products and conducive to uniformity and collaboration among the states. Also in the 2000s, there was a period of time where there was the threat of federal preemption so states came together through NCOIL through the National Conference of State Legislatures (NCSL), through the NAIC, National Governors Association (NAG), and created this Compact. So for many of you, this Compact has been in place in your state for many, many years. You should be very reassured that you have active legislative participation in our Compact. What we do as states is come together, develop the product requirements for those products I mentioned and companies come make one filing to us. We give it a very thorough review. We have many credentialed actuaries as you can tell from our budget. We look at those products very carefully and once they meet compliance they can be used in your states. As I said, we have a very active legislative committee. As committee members, we have Rep. Deborah Ferguson, DDS (AR), NCOIL President, Rep. Tom Oliverson, M.D. (TX), NCOIL Vice President, Rep. Matt Lehman (IN), NCOIL Immediate Past President, and we also have Asm. Roy Freiman (NJ), Sen. Laura Fine (IL), Rep. Jim Dunnigan (UT), and Rep. Brian Kennedy (RI). It was one year ago that NCOIL reinforced their support for the Compact. We've had one legal challenge to the Compact and I think it really reinforced how important the Compact was. And so NCOIL came forward and recognized that this Compact was one that Congress did not directly, but impliedly gave consent that the states should handle the business of insurance, especially in this area.

So I want to give you an update of where the Compact has been in that past year. First, I have amazing news to tell you. We have a new member to the Compact, so we're now at 47 compacting states. I'd love for you all to give a round of applause to Sen. Klein because North Dakota is joining the Compact on August 1. I really appreciate him sponsoring the bill along with his House counterparts. I had the pleasure of going to Bismarck twice this year. It was great and it was a very active discussion. They will be joining August 1 and companies can use the Compact on August 16th. We have 47 compacting states so it's more than the majority of states that are in the Compact and let me just give you a quick overview of some of the product lines that we're right now talking about. Just so you know, they're very relevant. We have 100-plus uniform standards across all of our product lines. We're just coming on with group whole life, so that's a new product line for us and you might have heard this indexed linked variable annuity product. These are kind of the hybrid product that have been out in the marketplace for 10 years. They act like a variable annuity, but they don't quite fit within that schematic so we're working on standards for that because that's a big and growing product in your marketplace. We're also going to work to accommodate non employer groups so that companies can use Compact products for those associations, those affinity groups. Today they can only use our standards for employer groups. The other thing I wanted to mention is Compact Roundtables because some of you around the table have attended those. We've had three in the last year. We are going to have another one on October 25th in Omaha, Nebraska. So thank you to Rep. Ferguson, Rep. Lehman, Rep. Dunnigan and NCOIL staff for joining those Roundtables because they bring together Commissioners, regulators, consumer representatives, state legislators and industry to talk about what's going well about the Compact and what can be improved - how can we further serve our state? So we're actually talking about that now, not only can we do the work that you've brought us together to do, which is to approve products under very thorough standards and issue in that state, but can we use our expertise to help states in other areas? So we'll be talking about that and keeping you apprised of that. Finally, we're having our in-person meeting. We try to have those along with the NAIC in-person meeting so that minimizes travel. We're having that on Tuesday, August 15th. Unfortunately that conflicts with the NCSL meeting so for those legislators on our legislative committee, we're working to get a room at NCSL so that you can participate in our call if you're available.

Rep. Lehman thanked Ms. Schutter and stated that it's really been great working with the Compact. Rep. Lehman asked which states are not Compact members? I know, but it would be nice if maybe the room knew. Ms. Schutter replied New York, California, South Dakota and Florida. So New York, California, Florida, the big three and then South Dakota but I am going there actually in August to meet with them. They're going to put it on their legislative calendar. And then as Rep. Anderson knows South Carolina did withdraw from the Compact. They had some concerns about LTC in their marketplace and we hope in the next session or the session after that they will rejoin and not participate in LTC but we work with our members when they have concerns. And we continue to work with those big three states and hopefully going into more advisory adjunct services could give them a comfort level to come into the Compact. Rep. Anderson thanked Ms. Schutter and stated that South Carolina has a new insurance Director, Dir. Michael Wise, so we've got to let him get settled and then we're going to discuss returning to the Compact. But we want you to come to South Carolina. We start our new session January 9, 2024, and we want you to come to South Carolina so we can get it passed. Ms. Schutter thanked Rep. Anderson and stated that so far the discussions with Dir. Wise have been productive and we look forward to working with him and you further.

ADJOURNMENT

Hearing no further business, upon a motion made by Sen. Klein and seconded by Rep. Ferguson, the Committee adjourned at 4:15 PM.