

## **Sunset Advisory Commission Board and Commission Review**

The Commission reviews every State board and commission and takes testimony regarding whether each board or commission should continue to operate or be eliminated and whether the powers and duties of any board or commission should be revised. Each board and commission has the burden of justifying its continued operation.

The Commission also reviews whether members of a board or commission should be entitled to a per diem and, if so, the amount of that per diem.

In testifying before the Commission, you should be able to provide the following information:

1. In general, how often does the board and commission meet? Provide specific information on how often the board or commission has met in the past two fiscal years. Provide information on where agendas and minutes of meetings can be found.

The Interstate Insurance Product Standard Regulation Commission (the “Commission”) has a required annual meeting. Additional meetings are scheduled at the discretion of the chair, the Management Committee or by vote of one-third of the members of the Commission. The full Commission has met 13 times during the last two fiscal years. Agendas and minutes for the meetings can be found on the Commission’s website at [Proceeding Minutes | Insurance Compact](#)

2. Provide the names of members of the board or commission, their term length and expiration, their appointing authority, and the amount of any per diem they receive.

The Commission is composed of members representing each state which has enacted the Interstate Insurance Product Regulation Compact legislation (the “Compact”). To date, 45 states plus the District of Columbia and Puerto Rico have enacted the Compact legislation. The member representing each state is generally the chief insurance regulatory officer of that state. His/her appointment and length of term is determined by individual state law or regulation and is at the discretion of that state. A state maintains a member on the Commission until such time as that state chooses to withdraw from the Compact. No per diem is paid by the Commission to its members.

3. Provide an overview of the board or commission’s purpose.

The Commission’s purpose is to fulfill the Compact’s objectives, through a means of joint cooperative action among the compacting states: To promote and protect the interest of consumers of individual and group annuity, life insurance, disability income and long term care insurance products; to develop uniform standards for insurance products covered under the Compact; to establish a central clearinghouse to receive and provide prompt

review of insurance products covered under the Compact and, in certain cases, rate filings and advertisements related thereto, submitted by insurers authorized to do business in one or more compacting states; to give appropriate regulatory approval to those product filings and advertisements satisfying the applicable uniform standard; and to improve coordination of regulatory resources and expertise between state insurance departments regarding the setting of uniform standards and review of insurance products covered under the Compact.

4. Is that purpose still needed? What would happen if the board or commission no longer fulfilled that purpose?

The Commission and Compact's purposes are still needed. The Compact is an innovative state-based agreement to modernize the regulatory approval of asset-based insurance products. Through the work of its Commission, the Compact serves the need for uniformity, speed-to-market, and regulatory compliance across a national state-regulated insurance marketplace. It allows Companies to submit one product filing for review based on comprehensive uniform and detailed standards designed to provide balanced and strong consumer protections. The absence of the Compact would severely hamper the consumer, regulatory and insurer benefits of coordination and uniformity across the insurance marketplace. Insurers would once again be required to file individually with all applicable states resulting in increases in cost and decreases in speed-to-market. All filings currently processed through the Compact would need to be handled through the Insurance Division resulting in a need for additional resources and personnel.

5. How well is the board or commission performing in executing that purpose? What evidence can you provide to substantiate that performance?

The Commission is performing as expected. A variety of reporting is provided on a monthly and annual basis detailing performance information. Examples can be found at the website links below:

Annual reports [Annual Report | Insurance Compact](#)

Filing Statistics [SeptemberStatistics.pdf \(insurancecompact.org\)](#)

State Premium Volume [State Premium Volume Chart \(insurancecompact.org\)](#)

6. If the purpose is still needed, can State government be more effective and efficient if the purpose was executed in a different manner?

Given that the Compact and Commission's purposes of coordination, uniformity and speed-to-market are focused across state governments and the national insurance marketplace, it would not be possible to be more effective or efficient in the execution of these goals within the State government.

7. If the purpose is still needed, do any of your board or commission's functions overlap or duplicate those of another State board or commission or federal or State agency? If so, is your board or commission still the best entity to fulfill the purpose?

The Commission's functions are complementary to the work of the Department of Financial Regulation's Insurance Division.

8. Does the board or commission's enabling law continue to correctly reflect the purpose and activities of the board or commission?

Yes

9. Provide a list of the board and commission's last fiscal year expenditures including staffing costs. How are these funded?

The Commission is funded primarily through the fees paid by insurers for product filings. State funds are not used to support the operation of the Commission. Details on the Commission and Compact's finances can be found in its most recent annual report. [about annual report 2020.pdf \(insurancecompact.org\)](#)

10. Is the board or commission required by law to prepare any reports or studies for the Legislature, the Governor, or any State agency or officer? If so, have those reports or studies been produced? Does the board or commission have ongoing reporting obligations?

An annual report to the Governor, Legislature and Commissioner of the Department of Financial Regulation is required. These reports have been provided as required and can be found on the website at:

[Annual Report | Insurance Compact](#)