

LIFE INSURANCE (A) COMMITTEE

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1991 Proc. II p. 563
1992 Proc. I p. 859

Mike Weaver, Chair—Ala.
David J. Lyons, Vice Chair—Iowa

CONTENTS

Life Insurance (A) Committee June 10, 1992 Minutes.....	663
Drafting Group for Shopper's Guide to Life Insurance for Older Adults June 8, 1992 Minutes (Attachment One)	666
Insurable Interest Working Group June 9, 1992 Minutes (Attachment Two).....	667
Guidelines on Gifts of Life Insurance to Charitable Institutions (Attachment Three).....	668
Life Insurance (A) Committee March 31, 1992 Minutes (Attachment Four).....	669

AGENDA

1. Adopt March 31 Seattle Minutes
2. Report of Drafting Group for Shopper's Guide to Life Insurance for Older Adults
3. Report of Insurable Interest Working Group
4. Report of Life and Health (Technical) Actuarial Task Force
5. Any Other Matters Brought Before the Committee

MINUTES

The Life Insurance (A) Committee met in the Sheraton Ballroom South of the Sheraton Hotel in Washington, D.C., at 1 p.m. on June 10, 1992. A quorum was present and Mike Weaver (Ala.) chaired the meeting. The following committee members or their representatives were present: David J. Lyons, Vice Chair (Iowa); John Garamendi (Calif.); Robert M. Willis (D.C.); James H. Brown (La.); Harold T. Duryee (Ohio); Georgia D. Flint (Texas); Harold C. Yancey (Utah); and Steven T. Foster (Va.).

1. Adopt March 31 Seattle Minutes

Upon motion duly made and seconded, the minutes of the March 31, 1992, Seattle meeting were adopted (Attachment Four).

2. Shopper's Guide to Life Insurance for Older Adults

Commissioner Mike Weaver (Ala.) called upon Commissioner David Lyons (Iowa) for a report of the drafting group for the Shopper's Guide to Life Insurance for Older Adults. Commissioner Lyons reported that the drafting group had met June 8, 1992 (Attachment One). Commissioner Lyons stated that at the meeting the group had discussed the Shopper's Guide draft which Lee Norgaard (American Association of Retired Persons) had prepared. Commissioner Lyons expressed his appreciation to Mr. Norgaard for his efforts in preparing the draft and noted that, while some progress was made at the drafting group meeting, there were still some conceptual problems with the draft among some members of the group. Commissioner Lyons said that the group had identified three options for proceeding on the project:

- (1) Continue to develop a comprehensive guide geared toward educating older adults on life insurance in general and the Financial Review of This Policy disclosure form in particular;
- (2) Focus on enhancing the pre-notification currently required under the Life Insurance Disclosure Model Regulation for policies which trigger the disclosure form and limit the guide to an explanation of the meaning and purpose of the Financial Review of This Policy disclosure form; and
- (3) Expand the current buyer's guide required by the Life Insurance Disclosure Model Regulation by adding a section to specifically address seniors' issues and the Financial Review of This Policy disclosure form.

Commissioner Lyons said that before proceeding further on this project, he would like to get further indication from the Life Insurance (A) Committee as to how or whether it wanted the drafting group to proceed. Commissioner Lyons then called upon Mr. Norgaard and Glenn Joppa (Union Fidelity Life) to give the committee an overview of both the consumer and industry perspectives of the options.

Mr. Norgaard said that he favored a separate guide geared specifically to older adults since much of what was in the current guide is not directed at the needs and concerns of older adults. He indicated that he could support a shorter version of the draft he had prepared which would be more particularly focused on older adults.

Glenn Joppa indicated that the draft under consideration duplicates some of the information contained in the current Buyer's Guide. He felt that a supplement directed toward older adults that could be inserted in either the front or back of the current Buyer's Guide would be the most useful and practical approach to take.

Commissioner Harold Yancey (Utah) then offered a motion to direct the drafting group to continue its work and to bring back to the Life Insurance (A) Committee a revised draft that would be more specifically focused on older adults and that could be used as an insert or addendum to the current Buyer's Guide. Commissioner Lyons then suggested that the drafting group also study the feasibility of improving the current buyer's guide to make it more responsive to the needs of older adults. This suggestion was considered a friendly amendment to the motion, which the committee unanimously adopted.

3. Report of Insurable Interest Working Group

Commissioner Weaver then recognized Commissioner Yancey to give the report of the Insurable Interest Working Group. Commissioner Yancey reported that the working group had met June 9, 1992 (Attachment Two). Commissioner Yancey indicated that the working group has been involved in three projects:

- (1) Developing a model regulation concerning living benefit companies;
- (2) Developing a guideline on gifts of life insurance to charitable institutions; and
- (3) Developing guidelines on corporate-owned life insurance.

Commissioner Yancey said he hoped that an initial draft of a regulation for living benefit companies would be available for discussion at the September meeting in Cincinnati.

With respect to the Guideline on Gifts of Life Insurance to Charitable Institutions, Commissioner Yancey indicated that the working group was unanimously in favor of recommending that the Life Insurance (A) Committee formally expose the draft dated June 4, 1992, for comment and possible adoption at the September meeting. Upon motion duly made, seconded and unanimously approved, the draft dated June 4, 1992, entitled "Guidelines on Gifts of Life Insurance to Charitable Institutions" was adopted for exposure and comment (Attachment Three).

Commissioner Yancey indicated that the working group has spent a considerable amount of time and attention on the issues of whether a guideline on corporate-owned life insurance is needed and the nature of such a guideline. He said the group had not made any final determinations with respect to how to proceed. He said that the working group planned to meet between now and the September meeting and that he would update the committee at the September meeting.

Superintendent Robert Willis (D.C.) noted that there is a movement in some jurisdictions to authorize insureds to name domestic partners as beneficiaries and that many of these arrangements violate traditional insurable interest concepts. Commissioner Yancey concurred with the observation and noted that there is considerable variety among the states with regard to insurable interest statutes and that the purpose of the charitable guideline was to provide information to the states which would allow the states to tailor their statutes to their particular needs and circumstances.

4. Report of Life and Health (Technical) Actuarial Task Force

John Montgomery (Calif.) presented the report of the Life and Health Actuarial (Technical) Task Force which included the following recommendations:

1. Recommend exposure of changes in the NAIC model Actuarial Opinion and Memorandum Regulation, as illustrated in Attachment One-A to the Life and Health Actuarial Task Force report for proposed adoption at the next meeting.
2. Recommend combination of project 4z "Special Plans - Reserves for Certain Back-loaded Annuities" into Project 2n "Valuation - Annuities," with the resulting project to be reprioritized as a Number One Priority Project.
3. Expose proposed new Actuarial Guideline GGG, entitled "Assumptions for Determining Minimum Reserves for Policies and Contracts with Multiple Benefit Streams," for comments.
4. Addition of new Project 2p "Valuation - Reserves for Companies in Rehabilitation" to the actuarial task force's agenda. If this new project is authorized, it is also recommended that it be designated as a Number One Priority Project and that a proposed new actuarial guideline entitled "Guideline Concerning Reserves of Companies in Rehabilitation" be exposed for proposed adoption at the next meeting.
5. Addition of a new Project 2q "Valuation - Actuarial Opinion for Canadian Companies" to the actuarial task force's agenda. If this new project is authorized, it is also recommended that it be designated as a Number Two Priority Project.
6. Expose a proposed new NAIC model regulation currently titled NAIC model "Regulation for Valuing Life Insurance Policies" for comments, with the understanding that it is to be retitled.
7. Expose proposed new Actuarial Guideline EEE, entitled "Valuation Requirements of 'Term-Like' Universal Life Insurance Products" for comments.
8. Delete Project 4w "Special Plans - Interest Indexed Annuities" from the actuarial task force's agenda.
9. Expose proposed new Actuarial Guideline AAA, entitled "Guideline for the Application of Plan Type to Guaranteed Interest Contracts (GICs) with Benefit Responsive Payment Provisions Used to Fund Employee Benefit Plans" for proposed adoption at the next meeting.
10. Expose proposed new Actuarial Guideline VVV, entitled "Guideline Concerning Variable Annuity Reserves" for comments.
11. Addition of a new Project 4bb "Special Plans - Certain Annuities with Bail Out Provisions" to the actuarial task force's agenda. If this new project is authorized, it is also recommended that it be designated as a Number Two Priority Project.
12. Addition of a new Project 15 "Valuation vs. Policy Form Approval" to the actuarial task force's agenda. If this new project is authorized, it is also recommended that it be designated as a Number One Priority Project and that proposed new Actuarial Guideline DDD "Valuation Issues vs. Policy Form Approval" be exposed for adoption.

With the exception of Recommendation 10, these recommendations were unanimously adopted. Recommendation 10 was withdrawn and returned to the task force for further review.

5. Any Other Matters Brought Before the Committee

The last item presented was a copy of the minutes of the June 8, 1992, meeting of the NAIC/AAA/ASB Liaison Committee on Standards and Related Items which was circulated for the information of the members of the committee.

Having no further business, the Life Insurance (A) Committee adjourned at 1:50 p.m.

Mike Weaver, Chair, Ala.; David J. Lyons, Vice Chair, Iowa; John Garamendi, Calif.; Robert M. Willis, D.C.; James H. Brown, La.; Harold T. Duryee, Ohio; Georgia D. Flint, Texas; Harold C. Yancey, Utah; Steven T. Foster, Va.;

ATTACHMENT ONE

Drafting Group for Shopper's Guide to Life Insurance for Older Adults Washington, D.C. June 8, 1992

The Drafting Group for the Shopper's Guide to Life Insurance for Older Adults met in the Wilmington Room of the Sheraton Hotel in Washington, D.C., at 1 p.m. on June 8, 1992. The meeting was chaired by Commissioner David Lyons (Iowa).

Commissioner David Lyons (Iowa) began the meeting by giving an overview of the history and purpose of the group. He noted that the marketing of life insurance to seniors had been the subject of attention by the NAIC for the past several years, culminating with several amendments to the NAIC Life Insurance Disclosure Model Regulation. Under the amendments, when a policy is issued to an applicant who is 60 years old or over, which limits death benefits during a period following the inception of the policy or where the accumulated premiums exceed the death benefit at any point during the first 10 years, then a disclosure form entitled Financial Review of this Policy, is required to be completed by the insurer and delivered with the policy. Additionally, the unconditional refund or free-look period was extended to 30 days and an additional notice alerting applicants to the fact that they may be receiving the disclosure form with their policy is required to be provided prior to taking an application for a policy which is subject to the disclosure form requirement.

Commissioner Lyons noted that when the amendments were under consideration, there was considerable debate over the timing of delivery of the disclosure form. Because of the individualized nature of the information contained in the form and the varying distribution methods employed by the insurers in the seniors market, it had been decided that the disclosure form would be delivered with the policy. Commissioner Lyons felt that it would be desirable to develop generic information which would be provided to potential purchasers earlier in the decision-making process. He noted that this drafting group had been formed for the purpose of developing such a guide with Lee Norgaard (American Association of Retired Persons-AARP) serving as chair of the group. Commissioner Lyons indicated that the purpose of the meeting was to discuss the draft of the guide which Mr. Norgaard had prepared and provided to the members. He indicated that the initial focus of the discussion should be on conceptual issues dealing with the nature and framework of the guide rather than with specific aspects of the text of the proposal.

Glen Joppa (Union Fidelity Life) commented that many of the concerns regarding the appropriate point of delivery which existed with respect to the Financial Review of this Policy Form also exist with respect to a shopper's guide. He felt that delivery of a guide prior to delivery of the policy was cost prohibitive and impractical, especially in a direct response context where the application could be part of a mailing or newspaper insert.

It was also noted that the current Life Insurance Disclosure Model Regulation already contains a buyer's guide and that much of the information contained in the draft was duplicative of the information contained in the buyer's guide. It was noted that the model had been adopted in approximately 40 states and that it allows delivery of the buyer's guide with the policy as long as there is a free-look period of 10 days.

Ed Zimmerman (American Council of Life Insurance) noted that he was under the impression that the group was supposed to develop a generic primer on life insurance for seniors that could be made available through insurance departments and consumer organizations, but that would not be tied to any particular sale.

Commissioner Lyons and Mr. Norgaard said that it was their impression that the guide should be used in conjunction with the sale of policies subject to the disclosure requirement and that it should further explain the disclosure form.

The group identified three potential ways of proceeding on the project:

1. Continue to develop a comprehensive guideline geared toward educating older adults on life insurance in general and the disclosure form in particular.

2. Focus on enhancing the pre-notification currently required under the model regulation for policies which trigger the disclosure form and limit the guide to an explanation of the meaning and purpose of the disclosure form.
3. Add a section to the end of the current Buyer's Guide to further address issues relating to life insurance for older adults.

Commissioner Lyons said that prior to working any further on the content of the draft, it would be advisable to get further direction from the Life Insurance (A) Committee. He stated that he would present the three options to the A Committee and also asked for short presentations to be given showing the perspectives of both the industry and consumer members of the group.

Having no further business, the Drafting Group for the Shopper's Guide to Life Insurance for Older Adults adjourned at 2:30 p.m.

ATTACHMENT TWO

Insurable Interest Working Group of the Life Insurance (A) Committee Washington, D.C. June 9, 1992

The Insurable Interest Working Group of the Life Insurance (A) Committee met in the Baltimore Room of the Sheraton Hotel in Washington, D.C., at 9 a.m. on June 9, 1992. A quorum was present and Harold C. Yancey (Utah) chaired the meeting. The following working group members were present: Mike Weaver (Ala.); John Garamendi (Calif.); and Steven T. Foster (Va.).

Commissioner Harold Yancey (Utah) began by noting that the group, along with its advisory committee, has been working on three issues:

1. Developing a model regulation for the regulation of living benefit companies.
2. Developing a guideline on gifts of life insurance to charitable institutions.
3. Developing guidelines on corporate-owned life insurance.

Commissioner Yancey stated that although a living benefit regulation had been discussed at the interim meeting in Chicago, the group had not yet developed a draft of the model. He said that Virginia and Ohio, along with the NAIC staff, have been assigned the task of preparing an initial draft of such a regulation for discussion at the September meeting in Cincinnati.

Commissioner Yancey then indicated that the members had before them a draft guideline on gifts of life insurance to charitable institutions. He indicated that unless there were concerns among the members, it was his intention to expose the draft for comment at this meeting with a view toward adoption by the Life Insurance (A) Committee at the September meeting. Diana Marchesi (Transamerica Occidental) said that the advisory committee was of the opinion that the draft incorporated most of the content of the draft the advisory committee had previously submitted and felt that the question and answer format was a user friendly method of presenting the information. Hearing no objection to exposing the draft from either the advisory committee or the members of the working group, Commissioner Yancey entertained a motion to expose the guideline which was unanimously adopted.

Commissioner Yancey then asked for comments on corporate-owned life insurance (COLI) and trust-owned life insurance (TOLI). He noted that the advisory committee had submitted a draft guideline that included proposed statutory language for both insurable interest concerns as well as recommended changes to the Group Life Insurance Definition and Group Life Insurance Standard Provisions Model Act. He noted that Bill Albus (National Association of Life Underwriters) had also submitted proposed changes to the group life insurance law which differed from the advisory committee's proposal.

George Coleman (Prudential), chair of the advisory committee, indicated that there was significant concern in the industry between group and individual writers of corporate-owned life insurance as to the appropriate recommended way of amending the group life insurance law to accommodate COLI and TOLI. The discussions regarding COLI and TOLI have been primarily concerned with an employer's provision of welfare benefit plans to current and former employees of the employer. The primary distinction between the two recommendations received was that under the advisory committee's proposal, the group life insurance law would be amended to accommodate both corporate and trust-owned life insurance while the other recommends that any such amendment would be structured to accommodate irrevocable trust-owned group life insurance only. Mr. Coleman felt that if there was an interest in including changes to the group life insurance law, that further refinement of the language submitted would need to be made. He asked that the advisory committee's submission to the working group be withdrawn pending further direction from the working group as to whether the guideline should go beyond insurable interest concerns to include changes to the group life insurance law.

Commissioner Yancey noted that there was an NAIC staff draft of a guideline which dealt solely with the insurable interest aspects of COLI and TOLI. He suggested that the working group review the issues involved and meet by conference call in the next two weeks to decide how to proceed with development of a guideline. He said that, if needed, the group could meet at the interim meeting in August to continue working on a draft. Mr. Coleman noted that, in light of the divergence of opinion in the industry with respect to revisions to the group life insurance law, he felt that it was unlikely that the advisory group would

reach a consensus with respect to statutory language by the August meeting. Commissioner Yancey indicated that he would let Mr. Coleman know how the working group planned to proceed after the working group had an opportunity to further discuss the matter by conference call.

Having no further business, the Insurable Interest Working Group of the Life Insurance (A) Committee adjourned at 9:40 a.m.

ATTACHMENT THREE

Guidelines On Gifts Of Life Insurance To Charitable Institutions Adopted by the Life Insurance (A) Committee

These Guidelines have been prepared for use by state insurance department personnel who may be presented with questions or concerns regarding charitable gifts of life insurance. Of course, each state's laws on the issues discussed may differ, and the following discussion should be read with that in mind.

Q. What is meant by a gift of life insurance?

A. As a general principle, the gift of a life insurance policy to any recipient, whether such recipient is a charity or other third party, involves the same considerations and characteristics as a gift of any other property owned by the donor. Once the transaction is made, the ownership of the policy and all ownership rights under the policy, including the ability to change the beneficiary, are forever transferred from the donor to the recipient.

Q. What is meant by "charitable institutions"?

A. Charitable institutions are typically non-profit, tax-exempt organizations such as corporations or foundations organized and operated exclusively for religious, charitable, scientific, literary or educational purposes or to foster amateur sports or for the prevention of cruelty to children or animals.

Q. How is a gift of life insurance to a charity accomplished?

A. A gift of life insurance to a charity is generally accomplished in one of two ways, although there are varying alternatives within these two categories. The gift may be either of an existing policy, in the form of an irrevocable assignment to the charity, or it may be the purchase of a new policy by the insured, or with the consent of the insured, by the charity on the life of the insured, to the benefit of the charity.

Q. Why has there been increased interest and attention focused on gifts of life insurance to charitable institutions?

A. This stems primarily from a private letter ruling issued by the Internal Revenue Service dated Dec. 6, 1990, which indicated that federal income, gift and estate tax charitable deductions may not be allowed for gifts of life insurance to charities if the law in the donor's state did not recognize that charities have an insurable interest in the life of their donors. The ruling was based on the IRS's interpretation of New York law. Following an amendment made to New York law which specifically authorized insureds to transfer life insurance policies to charities, the IRS issued another letter ruling on Nov. 27, 1991, revoking its earlier ruling. As a result of the revocation, much of the concern over charitable giving of life insurance has subsided.

Q. What is insurable interest?

A. Insurable interest can generally be described as an interest on the part of the applicant or owner of the policy in the continuance of the life of the insured. Everyone has an insurable interest in his or her own life and where the applicant is the insured, he or she can generally make the proceeds payable to whomever he or she wants, including a favorite charity. Where someone other than the insured is the applicant, insurable interest is typically based on a family relationship or a reasonable expectation of deriving financial or economic benefits from the continuance of the insured's life. Some states require beneficiaries to have an insurable interest in the insured. For life insurance to be enforceable, an insurable interest must exist at the time the policy is being applied for.

Q. How is the insurable interest requirement met in the context of gifts of life insurance to charitable institutions?

A. The statutory definition of insurable interest in many states specifically includes charities. In other states, charities who have an ongoing relationship with a donor may qualify under the general definition of insurable interest by demonstrating an expectation of benefit or advantage from the continuance of the life of the insured as a result of the insured's previous donation patterns, whether they be of money, other gifts or volunteer time. Other state statutes simply authorize charities to own or purchase life insurance on an insured who consents to the ownership or purchase of the insurance. The primary protection against abuse in the charitable ownership of life insurance is the requirement that the insured consent to the ownership. Many state laws require that consent to be in writing.

Q. What other considerations are involved?

A. There are various considerations which may help the donor determine the method he or she should use to make a gift of life insurance to a charity. Among these is whether the assignment of an existing policy would exclude from the donor's estate

insurance coverage needed for more immediate family or business needs. The donor's state of health and ability to obtain other coverage should also be considered. The type of coverage in force and/or being considered for purchase may also be of significance. In that the donation may be made as part of a donor's estate or tax plan or have varying tax ramifications depending on how the transaction is structured, the donor should seek the advice of a tax expert in connection with any transaction of this nature.

The prospective donor may well find it entirely appropriate to ascertain the longevity of the charitable institution to which he or she is considering making a donation. The length of time which the charity has been in existence and its avowed goals regarding its own future activities could be significant in determining whether or not the charity will still be a viable institution when the life insurance benefit is paid.

Q. If a state contemplates statutory or regulatory language to clarify the existence of an insurable interest in charitable organizations, what are the main items that should be considered for inclusion in the statute or rule?

- A.**
1. Its purpose should be to acknowledge the existence of the insurable interest in the charity and to clarify how the law applies to charitable interest in life insurance and annuities;
 2. It should clearly state that it does not abridge or limit the insurable interest currently existing in common law or by statute;
 3. It should make clear that any specific requirements for an insurable interest to exist (e.g. written consent of the insured) are to be applicable only to insurance applied for and assignments made subsequent to enactment or promulgation of the law or rule; and
 4. It should define "nonprofit organization" to include charitable, religious, scientific, literary, educational or other legitimate institutions or entities, reasonably anticipated to be the genuine object of a donor's charitable intent. (This would include institutions or entities described in the Internal Revenue Code Sections 170, 501, 2055 and 2522).

Q. What are some examples of statutory language states have used to respond to concerns over charitable ownership of life insurance?

A. Two examples of statutory responses to such concerns are Colorado House Bill 1031 enacted in 1992 adding Section 114 to Article 7 of Title 10, Colorado revised statutes and Tennessee Senate Bill No. 2336, also enacted in 1992 adding Section ___ to Title 56, Chapter 7, Part 3 of the Tennessee Code Annotated.

The Colorado Law provides:

Notwithstanding any other provision of law, any organization that meets the requirements of Section 170(c) of the Federal "Internal Revenue Code of 1986," as amended, may own or purchase life insurance of an insured who gives written consent to the ownership or purchase of that insurance. The provisions of this section do not limit or abridge any insurable interest or right to insure now existing at common law or by statute, shall be construed liberally to sustain the existence of an insurable interest, and shall stand as a declaration of existing law applicable to all life insurance policies whenever issued, in existence on or after the effective date of this section.

The Tennessee Law provides:

If an organization described in either Section 501(c)(3) or Section 170(c) of the Internal Revenue Code of 1986, as amended, purchases or receives by assignment, before, on or after the effective date of this section, life insurance on an insured who consents to the purchase or assignment, the organization is deemed to have had an insurable interest in the insured person's life on the date of purchase or assignment. This section does not limit or abridge any insurable interest now existing at common law or by statute.

Citations to statutory provisions of other states dealing with charitable ownership of life insurance may be obtained by contacting the NAIC Legal Department.

ATTACHMENT FOUR

Life Insurance (A) Committee
Seattle, Washington
March 31, 1992

The Life Insurance (A) Committee met in the Grand Ballroom B of the Sheraton Hotel in Seattle, Wash., at 3 p.m. on March 31, 1992. A quorum was present and Mike Weaver (Ala.) chaired the meeting. The following committee members or their representatives were present: David J. Lyons, Vice Chair (Iowa); John Garamendi (Calif.); Robert M. Willis (D.C.); James H. Brown (La.); Harold T. Duryee (Ohio); Georgia D. Flint (Texas); Harold C. Yancey (Utah); and Steven T. Foster (Va.).

Life Insurance Committee

1. Review 1992 Charges to Committee

Commissioner Mike Weaver (Ala.) reviewed the 1992 committee charges. He indicated that one item left over from last year was the development of a Shopper's Guide to Life Insurance for Older Adults. Commissioner Weaver called upon Commissioner David Lyons (Iowa) for a report of the progress that had been made on development of the guide. Commissioner Lyons reported that he had been working with Lee Norgaard (American Association of Retired Persons) in development of a draft outline for the guide which was previously distributed to members of the Life Insurance (A) Committee. He recommended that a Shopper's Guide to Life Insurance for Older Adults drafting group be constituted under the chairmanship of Mr. Norgaard. The members of the Life Insurance (A) Committee concurred with the recommendation. Commissioner Lyons offered to work with the drafting group and indicated that he hoped that the drafting group could produce an expanded outline by the June meeting.

Commissioner Weaver called upon Bob Wright (Va.) for an overview of the liquidity and solvency implications of annuity contracts which lack adequate surrender charges. Mr. Wright indicated that annuity contracts which allow contract holders to surrender their contracts without penalty have been contributing factors to the insolvency of several insurers. John Montgomery (Calif.) indicated that the Life and Health Actuarial (Technical) Task Force is analyzing the reserving requirements which should apply to these policies. The committee agreed that reserve implications of these policies should properly reside with the Life and Health Actuarial (Technical) Task Force and that the Life Insurance (A) Committee should consider the policy provision implications. Commissioner Weaver asked the NAIC staff to coordinate activities between the Life and Health Actuarial (Technical) Task Force and the Life Insurance (A) Committee.

Commissioner Weaver noted that the intent of the model variable contract laws was to provide separate account policyholders a priority or secured status for their claims against separate account assets. He directed NAIC staff to review the pertinent model laws to determine whether this intent is adequately reflected.

2. Report of the Insurable Interest Working Group

Commissioner Harold Yancey (Utah) reported that the Insurable Interest Working Group planned to hold a working session at the interim meetings scheduled in Chicago, May 13 - 15, 1992, to: (1) review the proposed Guidelines on Gifts of Life Insurance to Charitable Institutions; (2) determine whether guidelines for corporate-owned life insurance are needed; and (3) begin drafting model language for the regulation of living benefit companies.

3. Receive Report of the American Counsel of Life Insurance (ACLI)

Mike Bartholomew (ACLI) reported that the Association for Vital Records and Health Statistics has been preparing revisions to the Model State Vital Statistics Act and Regulations. He indicated that the ACLI has worked with the association to ensure that the life insurance industry is able to have access to cause of death information contained in death certificates to enable life insurance companies to properly adjudicate claims for benefits. Mr. Bartholomew stated that the revisions to the model act would also be of benefit to insureds and asked for the NAIC's support of the proposed revisions, which are scheduled to be acted upon in June 1992.

Having no further business, the Life Insurance (A) Committee adjourned at 3:40 p.m.