

Prepared by:

Jeff Kulesus

FLMI, AAPA, ACS, AIAA, AIRC, ARA, CCP, LUTC,

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Interstate Compact Survey Report





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TABLE OF CONTENTS

I. OVERVIEW OF THE REPORT	2
Acknowledgements	3
Disclaimer	3
II. SURVEY RESULTS	4
A. Survey Responses From non-registered Companies	4
B. Survey Responses From Companies REGISTERED WITH the Interstate Compact	5
III. TABLES	14
IV. SURVEY SAMPLE, Milliman, Inc. Interstate Compact Survey	20

I. OVERVIEW OF THE REPORT

Speed to market continues to be a prime concern among insurers for new product launches. Perhaps no other factor has piqued interest in speed to market as much as the Interstate Insurance Product Regulation Compact (IIPRC, Interstate Compact, or Compact). The Interstate Compact allows companies to make one product submission for approval in up to 40 states and Puerto Rico in 60 days or less.

As of November 2011, 132 companies were registered with the Interstate Compact versus 74 companies in 2009. This represents a 78% increase since 2009. Compact submissions as of October 2011 represent nearly a 22% increase over the entire number of Compact submissions in 2009. The number of product filings approved during the same interval increased from 279 to 338.

The 132 registered companies present approximately 56% of the total U.S. insurance premium volume. Thirty of the companies that registered with the Compact did so for the first time in 2011. Of the 132 companies registered with the Compact in 2011, 11% have filed more than five times in 2011, 16% four to five times, 37% two to three times, and 35% once.

Milliman conducted this survey as a follow-up to its survey and Interstate Compact Survey Report issued in October 2009. Milliman has conducted this survey to better understand the dynamics behind industry Interstate Compact use. This survey was sent to companies in June 2011 with a requested response date of July 31, 2011.

The current survey is substantially similar to the one conducted by Milliman in 2009.

It attempts to identify the reasons why some companies have not yet registered with or filed submissions through the IIPRC, as well as to measure the recent experience and perceptions of companies that have filed submissions through the Interstate Compact.

Responses to the 2011 survey came from 45 companies; 29 of them, or 64% of the responding companies, are registered to file submissions through the IIPRC.

The survey asked participating companies 18 questions regarding the IIPRC (the complete survey appears in Section IV). The first four questions, as in the 2009 survey, were directed to companies not currently registered in the IIPRC, and the remaining 14 questions were applicable to companies currently filing submissions through the IIPRC.

Overall, the 2011 survey revealed an increased level of satisfaction for companies currently filing IIPRC submissions versus the 2009 survey. This is particularly evident regarding the cost/benefit perceptions of companies filing through the Interstate Compact. Survey participants expressed favorable comments regarding the addition of states such as Illinois, Nevada, New Jersey, and Oregon to the Compact.

There was a shift among companies filing through the Compact regarding increase in turnaround times. The growth of the Compact in terms of filing volumes and variety, type, and complexity of product filings caused the Compact's average filing turnaround time to increase from an under-30-day range in 2009 to a mid-40s range. This trend may also reflect when the 2011 survey was administered rather than current filing turnaround experience. As of mid-2011, survey respondents indicated an average 50-day submission turnaround time, whereas Compact turnaround times fell to 40 days as of October 2011. The decrease in Compact submission turnaround times is due to the increase in Compact resources, adding two more full-time form reviewers and a full-time actuary within the last several months. Turnaround times may decrease even further as the new hires become seasoned in their new Compact responsibilities. The Compact has also made available additional filing tools to assist filers in preparing compliant filings that should also minimize review times, including reviewer checklists and web-based tutorials. Among companies not yet registered to file IIPRC submissions, the perceived cost/benefit ratio and the desire for more product standards continue to be the primary concerns.

ACKNOWLEDGEMENTS

Milliman wishes to express appreciation to participating insurers as well as to the American Council of Life Insurers (ACLI) and the IIPRC for their support of the survey.

DISCLAIMER

This report contains information based on input from companies in the U.S. life insurance industry that participated in the survey. Milliman, ACLI, IIPRC, and the companies participating in the survey do not recommend or endorse any particular use of the information contained in this report. Milliman makes no warranty, guarantee, or representation with regard to this material and assumes no liability or responsibility in connection with the use or misuse of the survey results.

II. SURVEY RESULTS

A. SURVEY RESPONSES FROM NON-REGISTERED COMPANIES

Survey results are provided in the order of questions presented in the survey. Questions will appear in boldface and numbered throughout the report. A copy of the survey appears at the end of this report in Section IV. The breakdown of companies participating or not participating in the Interstate Compact is provided below.

Question 1.

Is your company now registered to file Interstate Compact filings?

Of the 45 companies that participated in the survey, 16 (36%) stated that their company has not registered with the IIPRC or filed Interstate Compact filings. That represents a decrease of nearly 50% in the proportion of nonregistered to registered companies participating in this study versus the same question asked in the 2009 Milliman survey.

Question 2.

If your company is not registered to file forms through the Compact, describe what changes your company would like to see before getting involved in the Compact. List your responses starting with the most important reason and ending with the least important reason.

The 16 companies not currently registered to file through the Interstate Compact identified 10 key issues they would like to see addressed by the IIPRC. The top seven of these issues, ranked in order of frequency, are as follows:

RANK # OF RESPONSES

- 1. A more favorable filing cost and cost/benefit ratio.**
- 2. More key product standards.**
- 3. The admission of more key states.**
- 4. More reasonable/broader product standards.**
- 5. The insurer only files a limited number of filings in a limited number of states.**
- 6. Mix and match issues where mix and match is not an option.**
- 7. Faster approval turnaround times.**

Total responses for the top six categories:

There was no change in the rank of the top two Question #2 issues between the 2009 and 2011 Milliman surveys. Perceived costs versus benefits remains the key issue for companies not yet utilizing the Interstate Compact.

Several survey responses indicated there may be a general lack of knowledge regarding the regional filer company option.

Regional filer companies are those which file in 12 or fewer states. The Compact recognizes the unique limitations of insurers filing in 12 or fewer states. Such insurers are identified as *regional* filing companies by the Compact and are offered substantially reduced IIPRC registration and filing fees. Despite the regional filer option, only one regional company registered with the Compact so far in 2011 and in 2010.

Question 3.

If your company does not file IIPRC filings, but intends to do so, check the appropriate box below. When asked when their company intends to register with the IIPRC and file submissions through the Compact, the 16 unregistered companies responded as follows:

TIME FRAME	# OF RESPONSES	% OF TOTAL RESPONSES	RANK ORDER OF RESPONSES
3 MONTHS	3	18.7	2
6 MONTHS	0	0	0
9 MONTHS	0	0	0
1 YEAR	0	0	0
1.5 YEARS	2	12.5	3
2 YEARS	0	0	0
2+ YEARS	1	6.3	4
OTHER	10	62.5	1

Question 4.

Summarize the main reasons why your company does not participate in the Compact at this time: The 16 company responses identified several reasons why they do not participate in the Compact. The top reasons, ranked in order of frequency, are as follows:

RANK # OF RESPONSES

1. Limited company product development and filings.
2. The desire/need for more product standards.
3. The current product lines are already filed and no further submissions are needed at this time.
4. The limited number of states in which to file.

Total responses for the top four categories:

The main concern for companies not yet registered with the IIPRC as provided by responses to this question appears to be a perceived lack of product development and an insufficient number of filings to justify company Compact registration at this time. This represents a significant change since 2009 when the primary concerns were about mix and match and about cost/benefit issues.

B. SURVEY RESPONSES FROM COMPANIES REGISTERED WITH THE INTERSTATE COMPACT

Twenty-nine of the more than 100 IIPRC-registered insurance companies participated in the 2011 survey. The first five questions in this section of the survey measured participating company satisfaction with the IIPRC. A scale from 1 to 7 was used, with 7 being the measure of highest satisfaction. Overall satisfaction in companies participating in the IIPRC continues to be very high. The least favorable comments pertain to Interstate Compact filing costs, with the scores centered in the range of 3 to 6, which still reflect a reasonable level of satisfaction. The responses are summarized below.

Where appropriate, surveys from both 2011 and 2009 are shown to contrast perceptual changes over the past two years.

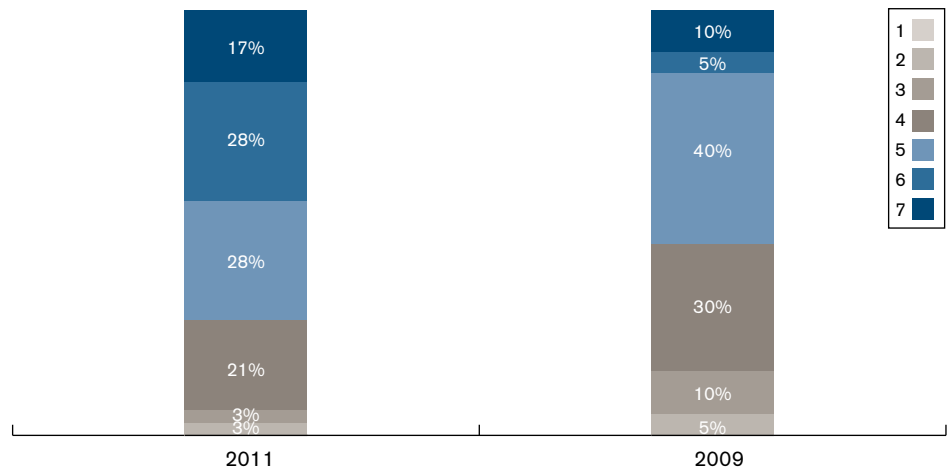
Question 5.

Rate overall satisfaction with Interstate Compact filing cost:

1 = lowest satisfaction level

7 = highest satisfaction level

FIGURE 1: OVERALL SATISFACTION WITH COMPACT FILING COST, 2011 AND 2009



Overall satisfaction with Interstate Compact filing cost shifted significantly for the two combined highest levels (7 and 6) from 15% in 2009 to 45% in 2011.

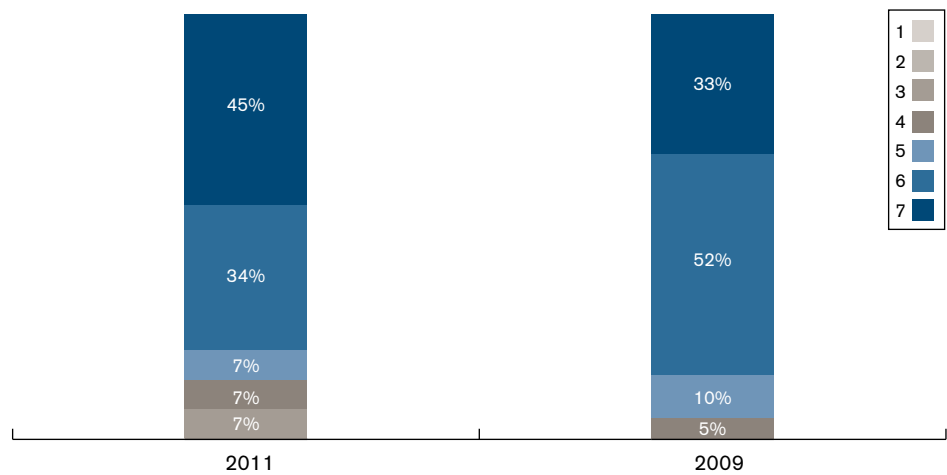
Question 6.

Rate overall satisfaction with the Interstate Compact filing process:

1 = lowest satisfaction level

7 = highest satisfaction level

FIGURE 2: OVERALL SATISFACTION WITH COMPACT FILING PROCESS, 2011 AND 2009



Overall satisfaction dipped slightly for the combined two highest categories (7 and 6) from 85% in 2009 to 79% in 2011. During the same period the combined scores for the lowest categories increased from 15% in 2009 to 21% in 2011.

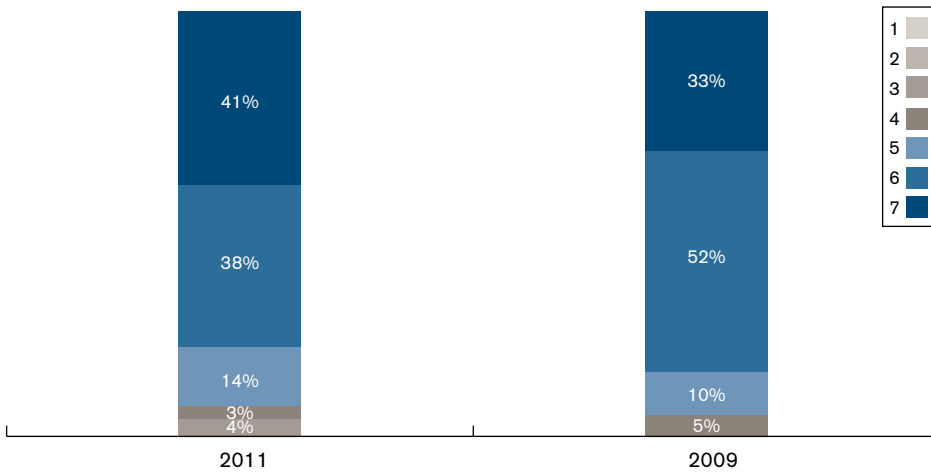
Question 7.

Ease of use:

1 = lowest satisfaction level

7 = highest satisfaction level

FIGURE 3: OVERALL SATISFACTION WITH COMPACT EASE OF USE, 2011 AND 2009



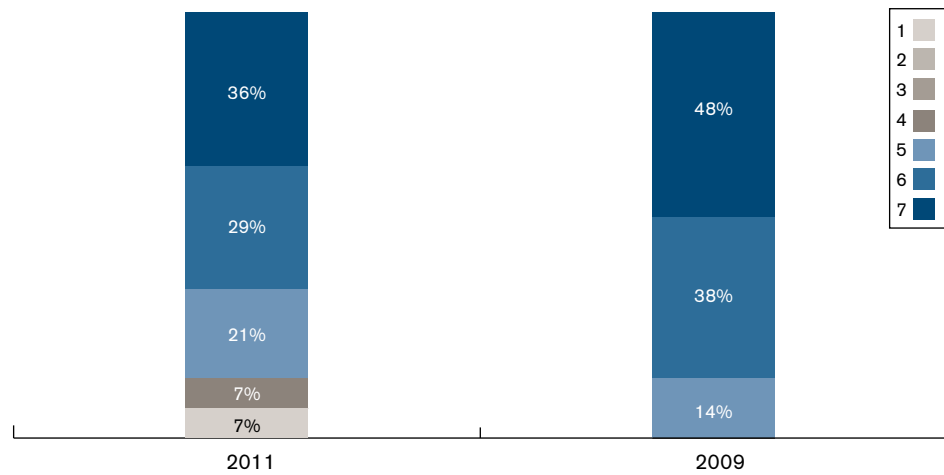
Perceptions regarding ease of use decreased for the combined two highest categories (7 and 6) from 87% in 2009 to 79% in 2011. During the same period the combined scores of the lowest categories increased from 15% in 2009 to 21% in 2011.

Question 8.

Speed to market:

1 = lowest satisfaction level
7 = highest satisfaction level

FIGURE 4: OVERALL SATISFACTION WITH COMPACT SPEED TO MARKET, 2011 AND 2009



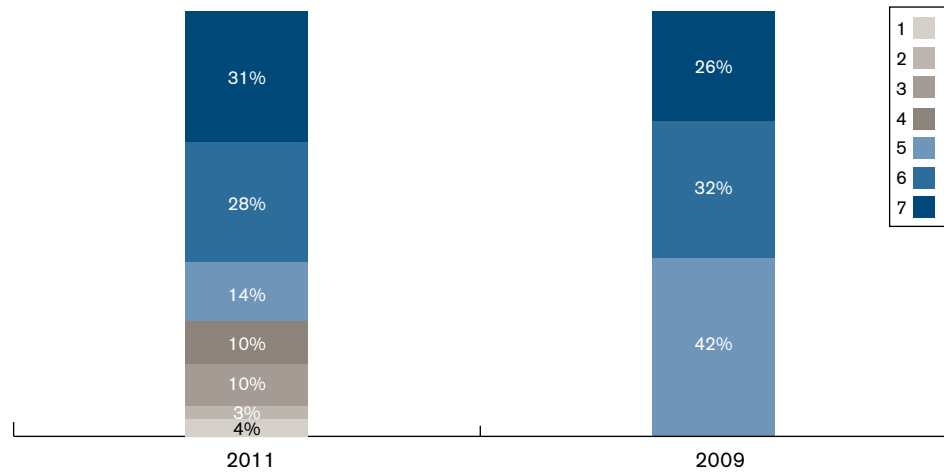
Speed to market showed the most significant change for the two highest categories with 86% in 2009 versus 65% in 2011, a drop of 21%. During the same period percentages in the lowest categories increased to 35% in 2011 from 14% in 2009.

Question 9.

Mix and Match and Reverse Mix and Match requirements:

1 = lowest satisfaction level
7 = highest satisfaction level

FIGURE 5: OVERALL SATISFACTION WITH MIX AND MATCH REQUIREMENTS, 2011 AND 2009



Mix and match perceptions, when measured by combining the two highest categories, differed by only one percent between 2011 and 2009. Whereas 42% of the participating companies ranked the subject a 5 in 2009, only 14% did so in 2011 with the remaining 27% ranking mix and match lower than 5 in 2011. This shift shows a greater differentiation in the lowest rankings.

Question 10.

Please feel free to expand on any of the rankings shown in Items 5 through 9 above:

Seven survey respondents provided comments to this question. These may be categorized as follows:

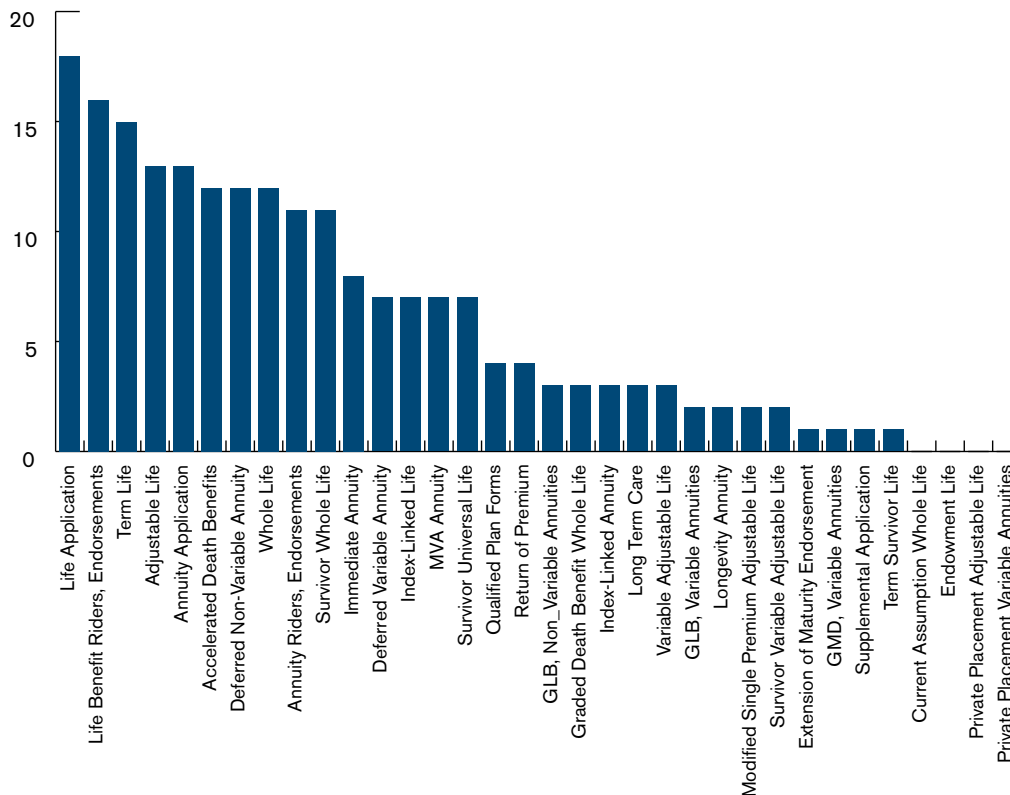
SUBJECT OF COMMENTS	# OF RESPONSES	% OF TOTAL RESPONSES
APPROVAL TURNAROUND TIMES	3	42.9
COST	2	28.6
MIX AND MATCH	2	28.6

Question 11.

What products types have you filed via the Interstate Compact?

The highest number of IIPRC filings have been life applications, followed by life benefit riders/endorsements, term life, adjustable life, annuity applications, accelerated death benefits, deferred non-variable annuities, whole life, annuity riders/endorsements, and survivor whole life submissions, as shown in Figure 6.

FIGURE 6: PRODUCT TYPES FILED VIA COMPACT



As of October 2011, 20 types of insurance (TOIs), with more than 100 sub-types of insurance (sub-TOIs), were available for filing through the Compact using the approximately 80 adopted Compact standards.

A comparison between 2011 and 2009 responses regarding product types filed through the Compact is not provided because many of the 2011 product TOIs and sub-TOIs did not exist in 2009.

Question 12.

How has your company been directly involved in the development of Interstate Compact standards?

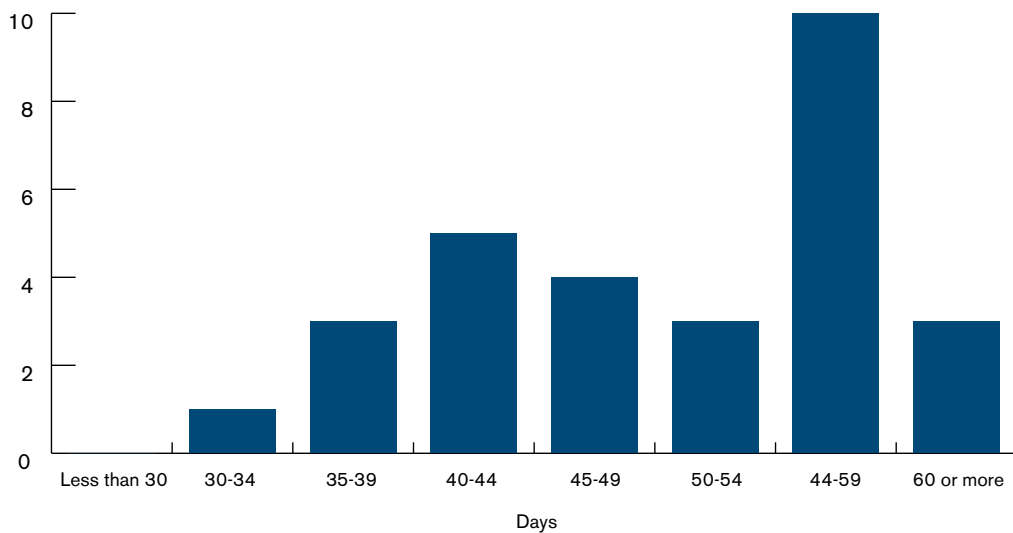
Sixteen of the 29 companies, or 55% of the IIPRC participating companies surveyed, have been involved in the development of Interstate Compact standards. This involvement included serving in the Industry Advisory Committee, participating in IIPRC conference calls, reviewing and commenting on IIPRC new standards, participating in focus group, responding to questions and comments via email, and providing feedback regarding standards directly or through the ACLI, interested third parties, or company lobbyists.

Question 13.

On average, what has been your Interstate Compact turnaround time, from submission date to approval date (excluding weekends, holidays and company response time to objections)?

About 45% of all IIPRC submissions were approved within 50 days of submission in 2011 in accordance with the requirements specified above. About 90% of all IIPRC submissions were approved within 60 days. However, more than one third of all submission took between 55 days or more for approval. The approval turnaround trend contrasts sharply with 2009 approval turnaround times with 76% of all submissions approved within 40 days.¹

FIGURE 7: COMPACT TURNAROUND TIMES FOR APPROVAL



¹ Please note that 2009 industry-reported turnaround times were based on calendar days rather than excluding weekends, holidays, and company response time to objections. Hence, the 2011-2009 comparison may not be a true comparison in this regard and should, therefore, be tempered.

The two responses noted the following information in the *Other* category: *Depending on the filing, it may take longer than 60 days and Just filed our first Compact submission.*

Question 14.

Describe your top concerns regarding Compact submissions, starting with *a.* as the most important concern and ending with *d.* the least important concern.

The top concerns identified by participating companies are far more diverse than were similar responses received from non-IIPRC companies. In order of frequency, the top 10 concerns of the respondents who participate in the IIPRC are ranked from most to least important as follows:

RANK

1. **Increases in review and approval turnaround times.**
2. **Mix and match.**
3. **Development of new standards, errors and omissions in existing standards, and incomplete standards.**
4. **The IIPRC may not have adequate staff.**
5. **Difficulty determining what falls and does not fall under the Compact standards and how differences between the standards and state requirements will be resolved.**
6. **How to interpret and apply new standards.**
7. **Possibility of states *opting out* of standards.**
8. **Cost.**
9. **Many key states have not yet joined the IIPRC.**
10. **Lack of consistent application of standards by IIPRC staff.**

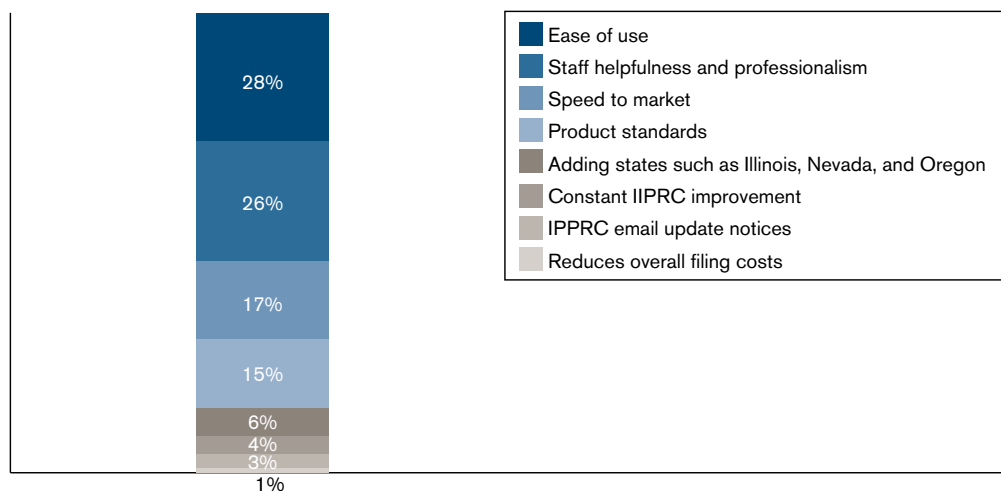
The main 2011 concerns of IIPRC-participating companies appear to be the increase in approval turnaround times followed by concerns about the mix and match process, whereas top 2009 concerns were a perceived lack of product standards followed by confusion regarding state requirements versus IIPRC requirements and the possibility of states opting out of standards. The next major 2011 concerns include developing new Compact standards, adequate IIPRC staffing, and determining what does and does not fall under the Compact standards. Compact standards categories ranked 3 and 5, added together, would equal concerns regarding increased review and approval turnaround times as the most significant registered company concerns.

Question 15.

Describe the top things you are satisfied with the Compact, starting with a. as the most important and ending with d. the least important:

About 54% of the responses expressed high satisfaction with the *ease of using the Compact* and the *staff helpfulness and professionalism*. *Ease of use* included the ability to file a single submission for approval in 40+ states and the uniformity of the forms so approved. Nearly 32% expressed satisfaction with speed-to-market product approval turnaround times and with the Compact standards.

FIGURE 8: OVERALL SATISFACTION RESULTS



The general response categories, for the most part, remain statistically the same in 2009 and 2011.

Question 16.

How do you feel about Compact registration/filing costs (immediate and long-term)?

Of the companies participating in the 2011 survey, 76% responded favorably regarding costs versus the perceived benefit of IIPRC submissions. This contrasts with 57% of the companies in 2009. About 24% of the companies responded unfavorably or somewhat unfavorably regarding IIPRC costs versus 39% in 2009. Perceptions regarding Compact filing costs from 2009 to 2011 show a marked improvement in the percentage of favorable comments and a corresponding decrease in negative responses. Cost continues to be a concern for currently IIPRC-registered companies.

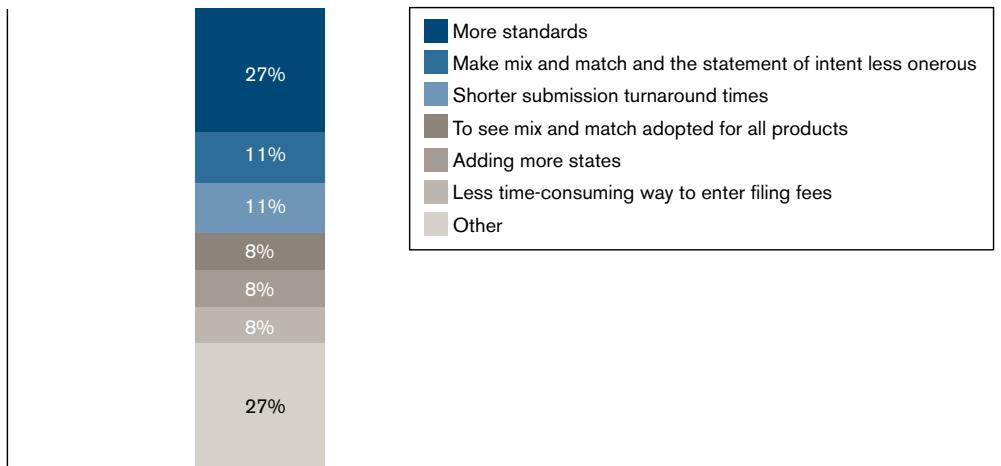
Favorable comments included *Very satisfied, It's a bargain!* and *At first we felt the fees were expensive, but now the benefits far outweigh the costs.*

Question 17.

What would you like to see change the most in the Compact, including enhancements?

Participating insurers ranked the desire for more standards, improvements in the mix and match process and short submission turnaround times as the top three concerns in 2011. Whereas, the desire for more participating states, improvements in the mix and match process and more insurers registered with the Compact were ranked as the top three concerns in 2009. Adding more states dropped from first to fifth place in 2011. It is interesting that mix and match remained ranked as the second greatest concern with respondents to both 2011 and 2009 surveys.

FIGURE 9: DESIRED CHANGES IN COMPACT



Question 18.

Please add any other comments as you deem appropriate.

Only one positive comment was received in response to this question in the 2009 survey. The following positive comments were noted in the 2011 survey:

- It's great to have one set of rules to abide by instead of 52.
- The Compact affords us to implement more states.
- I can't emphasize how happy we are not to have 26 different flavors of applications and policy forms.
- Easy Process, easy to understand.
- For the most part it is a wonderful thing.
- We have been impressed with the Compact's growth in states and its outreach to the industry—particularly with the willingness of the Executive Director and her staff to address and resolve issues.
- This option has been a great benefit to us in our administration of closed blocks of insurance products.

III. TABLES

The following tables show the aggregate survey results from which the previous graphs were derived.

Question 5.

Rate overall satisfaction with Interstate Compact filing cost:

RATING	# OF RESPONSES	% OF TOTAL RESPONSES	RANK ORDER OF RESPONSES
1 (LOWEST)	0	0.0	0
2	1	5.0	4
3	2	10.0	3
4	6	30.0	2
5	8	40.0	1
6	1	2.5	5
7 (HIGHEST)	2	10.0	3

Mean = 4.6 Mode = 5

Question 6.

Rate overall satisfaction with the Interstate Compact filing process:

RATING	# OF RESPONSES	% OF TOTAL RESPONSES	RANK ORDER OF RESPONSES
1 (LOWEST)	0	0.0	0
2	0	0.0	0
3	0	0.0	0
4	1	4.8	4
5	2	9.5	3
6	11	52.4	1
7 (HIGHEST)	7	33.3	2

Mean = 6.1 Mode = 6

Question 7.

Ease of use:

RATING	# OF RESPONSES	% OF TOTAL RESPONSES	RANK ORDER OF RESPONSES
1 (LOWEST)	0	0.0	0
2	0	0.0	0
3	0	0.0	0
4	0	0.0	0
5	4	19.0	3
6	11	52.4	1
7 (HIGHEST)	6	28.6	2

Mean = 6.1 Mode = 6

Question 8.

Speed to market:

RATING	# OF RESPONSES	% OF TOTAL RESPONSES	RANK ORDER OF RESPONSES
1 (LOWEST)	0	0.0	0
2	0	0.0	0
3	0	0.0	0
4	0	0.0	0
5	3	14.3	3
6	8	30.1	2
7 (HIGHEST)	10	47.6	1

Mean = 6.3 Mode = 7

Question 9.

Compatibility with existing Mix and Match and Reverse Mix and Match forms:

RATING	# OF RESPONSES	% OF TOTAL RESPONSES	RANK ORDER OF RESPONSES
1 (LOWEST)	0	0.0	0
2	0	0.0	0
3	0	0.0	0
4	0	0.0	0
5	8	42.1	1
6	6	31.6	2
7 (HIGHEST)	5	26.3	3

Mean = 5.8 Mode = 5

Question 11.

What products types have you filed via the Interstate Compact?

PRODUCT TYPE	# OF RESPONSES	TOTAL RESPONSES	RESPONSES	RANK ORDER OF RESPONSES
		AS A % OF PARTICIPATING COMPANIES	AS A % OF TOTAL RESPONSES	
ACCELERATED DEATH BENEFITS	12	41.4	5.9	5
ADJUSTABLE LIFE	13	44.8	6.4	4
ANNUITY APPLICATION	13	44.8	6.4	4
ANNUITY RIDERS, ENDORSEMENTS	11	37.9	5.4	6
CURRENT ASSUMPTION WHOLE LIFE	0	0.0	0.0	0
DEFERRED NON-VARIABLE ANNUITY	12	41.4	5.9	5
DEFERRED VARIABLE ANNUITY	7	24.1	3.4	8
ENDOWMENT LIFE	0	0.0	0.0	0
EXTENSION OF MATURITY ENDORSEMENT	1	3.4	0.5	12
GLB, NON-VARIABLE ANNUITIES	3	10.3	1.5	10
GLB, VARIABLE ANNUITIES	2	6.9	1.0	22
GMD, VARIABLE ANNUITIES	1	3.4	0.5	12
GRADED DEATH BENEFIT WHOLE LIFE	3	10.3	1.5	10
IMMEDIATE ANNUITY	8	27.6	3.9	7
INDEX-LINKED ANNUITY	3	10.3	1.5	10
INDEX-LINKED LIFE	7	24.1	3.5	8
LIFE APPLICATION	18	62.1	8.8	1
LIFE BENEFIT RIDERS, ENDORSEMENTS	16	55.2	7.8	2
LONG TERM CARE	3	10.3	1.5	10
LONGEVITY ANNUITY	2	6.9	1.0	11
MODIFIED SINGLE PREMIUM ADJUSTABLE LIFE	2	6.9	1.0	11
MVA ANNUITY	7	24.1	3.4	8
PRIVATE PLACEMENT ADJUSTABLE LIFE	0	0.0	0.0	0
PRIVATE PLACEMENT VARIABLE ANNUITIES	0	0.0	0.0	0
QUALIFIED PLAN FORMS	4	13.8	2.0	9
RETURN OF PREMIUM	4	13.8	2.0	9
SUPPLEMENTAL APPLICATION	1	3.4	0.5	12
SURVIVOR UNIVERSAL LIFE	7	24.1	3.4	8
SURVIVOR VARIABLE ADJUSTABLE LIFE	2	6.9	1.0	11
SURVIVOR WHOLE LIFE	11	37.9	5.4	6
TERM LIFE	15	51.7	7.4	3
TERM SURVIVOR LIFE	1	3.4	0.5	12
VARIABLE ADJUSTABLE LIFE	3	10.3	1.5	10
WHOLE LIFE	12	41.4	5.9	5

PRODUCT TYPE SHOWN IN RANK ORDER OF RESPONSES

PRODUCT TYPE	# OF RESPONSES	TOTAL RESPONSES		RANK ORDER OF RESPONSES
		AS A % OF PARTICIPATING COMPANIES	AS A % OF TOTAL RESPONSES	
LIFE APPLICATION	18	62.1	8.8	1
LIFE BENEFIT RIDERS, ENDORSEMENTS	16	55.2	7.8	2
TERM LIFE	15	51.7	7.4	3
ADJUSTABLE LIFE	13	44.8	6.4	4
ANNUITY APPLICATION	13	44.8	6.4	4
ACCELERATED DEATH BENEFITS	12	41.4	5.9	5
DEFERRED NON-VARIABLE ANNUITY	12	41.4	5.9	5
WHOLE LIFE	12	41.4	5.9	5
ANNUITY RIDERS, ENDORSEMENTS	11	37.9	5.4	6
SURVIVOR WHOLE LIFE	11	37.9	5.4	6
IMMEDIATE ANNUITY	8	27.6	3.9	7
DEFERRED VARIABLE ANNUITY	7	24.1	3.4	8
INDEX-LINKED LIFE	7	24.1	3.5	8
MVA ANNUITY	7	24.1	3.4	8
SURVIVOR UNIVERSAL LIFE	7	24.1	3.4	8
QUALIFIED PLAN FORMS	4	13.8	2.0	9
RETURN OF PREMIUM	4	13.8	2.0	9
GLB, NON-VARIABLE ANNUITIES	3	10.3	1.5	10
GRADED DEATH BENEFIT WHOLE LIFE	3	10.3	1.5	10
INDEX-LINKED ANNUITY	3	10.3	1.5	10
LONG TERM CARE	3	10.3	1.5	10
VARIABLE ADJUSTABLE LIFE	3	10.3	1.5	10
LONGEVITY ANNUITY	2	6.9	1.0	11
MODIFIED SINGLE PREMIUM ADJUSTABLE LIFE	2	6.9	1.0	11
GLB, VARIABLE ANNUITIES	2	6.9	1.0	11
SURVIVOR VARIABLE ADJUSTABLE LIFE	2	6.9	1.0	11
EXTENSION OF MATURITY ENDORSEMENT	1	3.4	0.5	12
GMD, VARIABLE ANNUITIES	1	3.4	0.5	12
SUPPLEMENTAL APPLICATION	1	3.4	0.5	12
TERM SURVIVOR LIFE	1	3.4	0.5	12
CURRENT ASSUMPTION WHOLE LIFE	0	0.0	0.0	0
ENDOWMENT LIFE	0	0.0	0.0	0
PRIVATE PLACEMENT ADJUSTABLE LIFE	0	0.0	0.0	0
PRIVATE PLACEMENT VARIABLE ANNUITIES	0	0.0	0.0	0

Question 13.

On an average, what has been your Interstate Compact turnaround time, from submission date to approval date (excluding weekends, holidays and company response time to objections)?

TIMEFRAME	# OF RESPONSES	% OF TOTAL RESPONSES	CUMULATIVE % TOTAL OF RESPONSES	RANK ORDER OF RESPONSES
LESS THAN 30 DAYS	0	0.0	0.0	0
30-34 DAYS	1	3.4	3.4	5
35-39 DAYS	3	10.3	13.7	4
40-44 DAYS	5	17.2	30.9	2
45-49 DAYS	4	13.8	44.7	3
50-54 DAYS	3	10.3	55.0	4
55-60 DAYS	10	34.5	89.5	1
60 OR MORE DAYS	3	10.3	99.8	4

Mean = 50 days

Mode = 55-60 days

Question 14.

Describe your top concerns regarding Compact submissions, starting with *a.* as the most important concern and ending with *d.* the least important concern.

DESCRIPTION OF CONCERN	# OF RESPONSES	% OF TOTAL RESPONSES
INCREASES IN REVIEW AND APPROVAL TURNAROUND TIMES	12	23.3
MIX AND MATCH	9	15.3
DEVELOPMENT OF NEW STANDARDS, ERRORS AND OMISSIONS IN EXISTING STANDARDS, AND INCOMPLETE STANDARDS	8	13.6
THE IIPRC MAY NOT HAVE ADEQUATE STAFF	6	10.2
DIFFICULTY DETERMINING WHAT FALLS AND DOES NOT FALL UNDER THE COMPACT STANDARDS AND HOW DIFFERENCES BETWEEN THE STANDARDS AND STATE REQUIREMENTS WILL BE RESOLVED	4	6.8
HOW TO INTERPRET AND APPLY NEW STANDARDS	3	5.1
POSSIBILITY OF STATES <i>OPTING OUT</i> OF STANDARDS AND STANDARDS	3	5.1
COST	3	5.1
MANY KEY STATES HAVE NOT YET JOINED THE IIPRC	3	5.1
LACK OF CONSISTENT APPLICATION OF STANDARDS BY IIPRC STAFF	2	3.4
OBJECTIONS DO NOT COME AT THE SAME TIME (FORM AND ACTUARIAL)	1	1.7
PROCEDURES POSTED IN THE IIPRC WEBSITE NOT ALWAYS UP TO DATE	1	1.7
STANDARDS ARE MORE RESTRICTIVE THAN COMPANY WOULD LIKE	1	1.7
DESIRE TO FILE COMPACT FORMS SEPARATELY FOR USE WITH NON-COMPACT FORMS	1	1.7
TIME INVOLVED ENTERING FILING FEES	1	1.7
LACK OF CLARITY REGARDING SERFF INSURANCE TYPE AND SUBTYPE	1	1.7

Question 15.

Describe the top things you are satisfied with the Compact, starting with a. as the most important and ending with d. the least important:

DESCRIPTION OF POSITIVE ITEM	# OF RESPONSES	% OF TOTAL RESPONSES	RANK ORDER OF RESPONSES
EASE OF USE, UNIFORMITY AND 40+ STATE APPROVALS	19	27.5	1
STAFF HELPFULNESS AND PROFESSIONALISM	18	26.1	2
SPEED TO MARKET	12	17.4	3
PRODUCT STANDARDS	10	14.5	4
ADDING MORE STATES LIKE IL, NV AND OR	4	5.8	5
CONSTANT IIPRC IMPROVEMENT	3	4.3	6
IIPRC UPDATE NOTICES	2	2.9	7
REDUCES OVERALL FILING COSTS	1	1.4	8

Question 17.

What would you like to see change the most in the Compact, including enhancements?

DESCRIPTION OF ITEM	# OF RESPONSES	% OF TOTAL RESPONSES	RANK ORDER OF RESPONSES
MORE STANDARDS	7	26.9	1
MAKE MIX AND MATCH AND THE STATEMENT OF INTENT LESS ONEROUS	3	11.5	2
SHORTER SUBMISSION TURNAROUND TIMES	3	11.5	2
TO SEE MIX AND MATCH ADOPTED FOR ALL PRODUCTS	2	7.7	3
ADDING MORE STATES	2	7.7	3
IMPROVEMENT LESS TIME CONSUMING WAY TO ENTER FILING FEES	2	7.7	3
OTHER	7	26.9	0

IV. SURVEY SAMPLE

Milliman, Inc. Interstate Compact Survey

1. Is your company now registered to file Interstate Compact filings? Yes No
If you checked Yes, skip to question # 5.
2. If your company is not registered file forms through the Compact, describe what changes your company would like to see before getting involved in the Compact. List your responses starting with the most important reason and ending with the least important reason:
 - a.
 - b.
 - c.
 - d.
3. If your company does not file IIPRC filings, but intends to do so, check the appropriate box below. My company may start IIPRC filings in:

<input type="checkbox"/> 3 months	<input type="checkbox"/> 1.5 years
<input type="checkbox"/> 6 months	<input type="checkbox"/> 2 years
<input type="checkbox"/> 9 months	<input type="checkbox"/> 2+ years
<input type="checkbox"/> 1 year	<input type="checkbox"/> Other, explain: _____
4. Summarize the main reasons why your company does not participate in the Compact at this time: **The rest of the survey should only be completed by companies that are now registered with the Compact.** (Circle one number with 1 as the lowest rating and 7 the highest)
5. Rate overall satisfaction with Interstate Compact filing costs: 1 2 3 4 5 6 7
6. Rate overall satisfaction with the IIPRC filing process: 1 2 3 4 5 6 7
7. Ease of use: 1 2 3 4 5 6 7
8. Speed to Market: 1 2 3 4 5 6 7
9. Mix & Match and Reverse Mix & Match requirements: 1 2 3 4 5 6 7
10. Please feel free to expand on any of the rankings shown in Items 5 through 9 above:
11. What products types have you filed via the Interstate Compact?

<input type="checkbox"/> Term Life	<input type="checkbox"/> Life Application
<input type="checkbox"/> Term Survivor. Life	<input type="checkbox"/> Long Term Care
<input type="checkbox"/> Whole Life	<input type="checkbox"/> Def. Non-Var. Annuity
<input type="checkbox"/> Survivor Whole Life	<input type="checkbox"/> Index-Linked Annuity
<input type="checkbox"/> Graded D.B. W. Life	<input type="checkbox"/> MVA Annuity
<input type="checkbox"/> Current Assump. W.L.	<input type="checkbox"/> Def. Var. Annuity
<input type="checkbox"/> Endowment Life	<input type="checkbox"/> Immediate Annuity
<input type="checkbox"/> Adjustable Life	<input type="checkbox"/> Qualified Plan Forms
<input type="checkbox"/> Modified Single Prem. Adjust. Life	<input type="checkbox"/> Annuity Application
<input type="checkbox"/> Survivor U.L.	<input type="checkbox"/> Annuity Riders, Endorse.
<input type="checkbox"/> Index-Linked Life	<input type="checkbox"/> Longevity Annuity
<input type="checkbox"/> Variable Adjust. Life	<input type="checkbox"/> GLB, Non-Variable
<input type="checkbox"/> Survivor Var. Adj. Life	<input type="checkbox"/> GLB, Variable Annuities
<input type="checkbox"/> Private Place. Adj. Life	<input type="checkbox"/> G.Min. Death, Variable
<input type="checkbox"/> Accel. Death Benefits	<input type="checkbox"/> Private Place. Variable
<input type="checkbox"/> Return of Premium	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Life Benefit Riders, Endorse.	

12. How has your company been directly involved in the development of Interstate Compact standards?

13. On an average, what has been your Interstate Compact turnaround time, from submission date to approval date (excluding weekends, holidays and company response time to objections)?

- | | |
|--|---------------------------------------|
| <input type="checkbox"/> Less than 30 days | <input type="checkbox"/> 45-49 days |
| <input type="checkbox"/> 30-34 days | <input type="checkbox"/> 50-54 days |
| <input type="checkbox"/> 35-39 days | <input type="checkbox"/> 55-59 days |
| <input type="checkbox"/> 40-44 days | <input type="checkbox"/> Other: _____ |

14. Describe your top concerns regarding Compact submissions, starting with *a.* as the most important concern and ending with *d.* the least important concern:

- | | |
|----|----|
| a. | c. |
| b. | d. |

15. Describe the top things you are satisfied with the Compact, starting with *a.* as the most important and ending with *d.* the least important:

- | | |
|----|----|
| a. | c. |
| b. | d. |

16. How do you feel about Compact registration/filing costs (immediate and long-term)?

17. What would you like to see change the most in the Compact, including enhancements?

18. Please add any other comments as you deem appropriate (attach additional sheets, if necessary):

Return your completed survey to Jeff Kulesus:

jeff.kulesus@milliman.com
Milliman, Inc.
2 Conway Park
150 Field Drive, Suite # 180
Lake Forest, IL 60031

Your Company Name: _____

Your Name (optional): _____

Your Contact Information (optional): _____



2 Conway Park, Suite # 180
150 Field Drive
Lake Forest, Illinois 60045
USA
+1 312 499 5635 tel

milliman.com