WHO WE ARE

- 46 COMPACTING STATES
- LEGISLATIVE COMMITTEE, CONSUMER ADVISORY COMMITTEE, INDUSTRY ADVISORY COMMITTEE
- COMPACT OFFICE
- COMPANY FILERS
- SYSTEMS, SERVICES, OFFICE, SERFF PROVIDED BY NAIC
46 COMPACTING STATES

- 44 STATES, DISTRICT OF COLUMBIA AND PUERTO RICO
  - 29 STATES JOINED BY END OF 2006
  - 12 MORE STATES JOINED BY END OF 2011
  - 6 MORE STATES HAVE JOINED SINCE WITH DELAWARE MOST RECENTLY JOINING IN 2021
- SEE PREMIUM VOLUME CHART FOR MORE INFORMATION
LEGISLATIVE COMMITTEE

- LEGISLATORS FROM COMPACTING STATES
- 4 APPOINTED BY NCOIL AND 4 APPOINTED BY NCSL
- BALANCED BETWEEN ZONES AND PARTIES
- COMPACT OFFICE HAS REGULAR CALLS WITH LEGISLATIVE COMMITTEE TO PROVIDE UPDATES ON ACTIVITIES
- WORK CLOSELY WITH NCOIL AND NCSL STAFF SUPPORT
LEGISLATIVE COMMITTEE

- INDIANA REPRESENTATIVE MATT LEHMAN, CHAIR (NCOIL)
- RHODE ISLAND SPEAKER PRO TEM BRIAN PATRICK KENNEDY, VICE CHAIR (NCSL)
- ARKANSAS REPRESENTATIVE DEB FERGUSON (NCOIL)
- ILLINOIS SENATOR LAURA FINE (NCSL)
- NEW JERSEY REPRESENTATIVE ROY FREIMAN (NCOIL)
- TEXAS REPRESENTATIVE DR. TOM OLIVERSON (NCOIL)
- UTAH REPRESENTATIVE JIM DUNNIGAN (NCSL)
CONSUMER ADVISORY COMMITTEE

- ANNA SCHWAMLEIN HOWARD, CANCER ACTION NETWORK
- ANGELA LELLO, AUTISM SPEAKS
- BRENDAN BRIDGELAND, CENTER FOR INSURANCE RESEARCH
- YVONNE HUNTER, FORMER AZ REGULATOR
- FRED NEPPLE, FORMER WI REGULATOR
- BRUCE RAMGE, FORMER INSURANCE DIRECTOR IN NE
- JANE CLINE, FORMER INSURANCE COMMISSIONER
INDUSTRY ADVISORY COMMITTEE

- Four industry organization seats and four company representative seats
- Compact has monthly calls with IAC
- ACLI, AHIP, NAIFA have served since beginning
- Previous IAC companies: Empower Retirement, John Hancock, MassMutual, Mutual of Omaha, Nationwide, Pacific Life, Prudential, Symetra
INDUSTRY ADVISORY COMMITTEE

- WAYNE MEHLMAN, ACLI
- AMANDA HERRINGTON, AHIP
- MAEGHAN GALE, NAIFA
- SARAH WOOD, IRI
- ANNE CORREIA, ALLIANZ
- ANDREA DAVEY, ATHENE
- JOSEPH MURATORE, NEW YORK LIFE
- ANGELA SCHAAF, NORTHWESTERN MUTUAL
COMPACT OFFICE

- Remote office with space in DC and KC offices of NAIC
- 15 team members including 6 former regulators
- 5 form reviewers and 3 credentialed actuaries
- Alaska, Idaho, Massachusetts, Michigan, Kansas, Missouri, Nebraska, Rhode Island, Wisconsin
### COMPANY Filers

- 400 companies have registered to use the Compact since 2008
- **Top 10 All-Time Filers:**

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<th>NEW YORK LIFE</th>
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<th>MINNESOTA LIFE</th>
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<td>PACIFIC LIFE</td>
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<td>LINCOLN NATIONAL</td>
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<td>JOHN HANCOCK</td>
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<td>MASS MUTUAL</td>
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<td>AMERICAN GENERAL LIFE</td>
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<td>TRANSAMERICA</td>
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<td>PROTECTIVE LIFE</td>
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COMPANY FILERS

- 286 COMPANIES REGISTERED IN 2021 – HIGHEST YET
- TOP 2021 FILERS:

1. NEW YORK LIFE
2. LINCOLN NATIONAL
3. PACIFIC LIFE
4. FIDELITY & GUARANTY
5. ALLIANZ
6. MASS MUTUAL
7. JOHN HANCOCK
8. PROTECTIVE LIFE
9. MUTUAL OF OMAHA
10. NATIONWIDE
HOW ARE WE FINANCIALLY Viable?

- COMPACT IS REVENUE NEUTRAL TO COMPACTING STATES
- NO MEMBER DUES
- COMPACT COLLECTS & REMITS APPLICABLE FILING FEES TO COMPACTING STATES
- AS OF EOY 2020, COLLECTED AND REMITTED A TOTAL OF $25,373,299 IN STATE FILING FEES SINCE 2007
HOW ARE WE FINANCIALLY VIABLE?

- COMPACT PROVIDES VALUE-ADDED SERVICE TO COMPANY FilERS

- VOLUNTARY CHOICE TO FILE STATE-BY-STATE OR WITH COMPACT

- TWO KEY COMPACT FEES
  - ANNUAL REGISTRATION FEE – MUST BE PAID TO ACCESS COMPACT FILING PLATFORM
  - PER FILING FEE – PAID AT THE TIME OF FILING
HOW ARE WE FINANCIALLY VIABLE?

- NAIC PROVIDED $500K CONTRIBUTION IN 2006
- NAIC LOANED TO COMMISSION BETWEEN 2007 - 2012
- TRIGGERED REPAYMENT IN 2020 & OUTSTANDING DEBT = $3,452,860
- RENEGOTIATED REPAYMENT OF PRINCIPAL OVER 10 YEARS WITH FORGIVENESS OF REMAINING BALANCE
- $274,013 ANNUAL PAYMENT BY MARCH 31 (2022 IS 3RD YEAR)
KEY 2021 HIGHLIGHTS

▪ BEST / BUSIEST YEAR YET -- HIGHEST NUMBER OF REGISTERED COMPANIES, FILINGS, AND REVENUE
▪ DELAWARE JOINED WITH SMOOTH IMPLEMENTATION
▪ RECEIVED AND BEGAN IMPLEMENTATION OF RECOMMENDATIONS FROM INDEPENDENT BUSINESS ASSESSMENT AND GOVERNANCE REVIEW
▪ DEVELOPED AND OUTREACHED TO MEMBERS ON IMPLIED CONGRESSIONAL CONSENT APPROACH AND POSITION STATEMENT
COMMISSION’S GOVERNANCE & LEGAL DEVELOPMENTS

- SQUIRE PATTON BOGGS (SPB) PERFORMED INDEPENDENT GOVERNANCE REVIEW IN 2020
  - GOOD GOVERNANCE REVIEW & RECOMMENDATIONS
  - COLORADO SUPREME COURT OPINION IN AMICA V. WERTZ ANALYSES AND RECOMMENDATIONS
  - TAX STATUS REVIEW AND RECOMMENDATIONS
AMICA V. WERTZ

- 10th Circuit certified to Colorado Supreme Court
- NAIC and Compact filed Amici briefs in District, 10th and COSC
- April 2020, COSC held in context of compact not approved by Congress, Legislature could not delegate to interstate agency power to adopt regulations that conflicted with state statutes
- Parties settled before entry of order by 10th Cir
COSC LEGAL ANALYSIS

- Under guidance of Governance Committee, developed position statement.

- Position statement acknowledges implied Congressional consent when Congress enacted Federal Law in 2006 authorizing DC to join and delegate powers to compact.

- Position to address Wertz ruling and resource for courts and litigants in future.
COMPACT COMPASS 2020 - 2022

▪ PRIORITY ONE: UNIFORM STANDARDS STATES SUPPORT AND COMPANIES WILLINGLY USE
▪ 3 OBJECTIVES: ROBUST, RELEVANT REASONABLE
▪ 9 ACTION ITEMS
  - 7 AT OR NEAR COMPLETION
  - 2 IN SUBSTANTIAL PROGRESS
COMPACT COMPASS 2020 - 2022

- **PRIORITY TWO: NATIONALLY RECOGNIZED REGULATORY REVIEW PROCESS**
- **3 OBJECTIVES: RESPONSIVE, RELIABLE, REGULATORY COLLABORATION**
  - **9 ACTION ITEMS**
    - **3 COMPLETED**
    - **3 IN SUBSTANTIAL PROGRESS**
    - **3 NOT YET STARTED**
COMPACT COMPASS 2020 - 2022

▪ PRIORITY THREE: RESOURCE FOR COMPACTING STATES, REGULATED ENTITIES & CONSUMERS
▪ 3 OBJECTIVES: RESPONSIBLE, RESPECTED, READY
▪ 10 ACTION ITEMS
  ▪ 7 AT OR NEAR COMPLETION
  ▪ 6 IN SUBSTANTIAL PROGRESS