

5208--A

2015-2016 Regular Sessions

I N   A S S E M B L Y

February 13, 2015

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Introduced by M. of A. SIMOTAS, SKOUFIS, STIRPE, MOYA, LAVINE, RIVERA, STECK -- read once and referred to the Committee on Insurance -- recommitted to the Committee on Insurance in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to establishing the interstate insurance product regulation compact to regulate certain insurance products

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Legislative findings and intent. An interstate compact is  
2 a contract between the states that allows them to cooperate on multi-  
3 state or national issues while still retaining state control. Interstate  
4 compacts are specifically mentioned in the U.S. Constitution and have  
5 been historically used to address border disputes and water rights. The  
6 use of interstate compacts has expanded significantly in recent decades  
7 to cover tax, motor vehicle licensing, environmental, emergency manage-  
8 ment and other issues. Over 200 interstate compacts currently exist, and  
9 on average every state belongs to at least 25 compacts. The Interstate  
10 Insurance Product Regulation Compact, which to date has been adopted by  
11 44 member states, representing approximately two-thirds of the premium  
12 volume in the nation, created the Interstate Insurance Product Regu-  
13 lation Commission (IIPRC). The IIPRC provides the States with a vehicle  
14 to (1) develop uniform national product standards that will afford a  
15 high level of protection to consumers of life insurance, annuities,  
16 disability income and long-term care insurance products; (2) establish a  
17 central point of filing for these insurance products; and (3) thoroughly  
18 review product filings and make regulatory decisions according to the  
19 uniform product standards. The IIPRC is an important modernization  
20 initiative that benefits state insurance regulators, consumers, and the  
21 insurance industry. The Compact enhances the efficiency and effective-

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [ ] is old law to be omitted.

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ness of the way insurance products are filed, reviewed, and approved allowing insurance customers to have faster access to competitive insurance products in an ever-changing global marketplace. The Compact promotes uniformity through application of uniform product standards embedded with strong consumer protections. The state of New York seeks to join with other states as a member of the Interstate Insurance Product Regulation Compact and Commission.

S 2. The insurance law is amended by adding a new article 82 to read as follows:

## ARTICLE 82

### INTERSTATE INSURANCE PRODUCT REGULATION COMPACT

SECTION 8201. SHORT TITLE.

8202. PURPOSE.

8203. DEFINITIONS.

8204. ESTABLISHMENT OF THE COMMISSION AND VENUE.

8205. POWERS OF THE COMMISSION.

8206. ORGANIZATION OF THE COMMISSION.

8207. MEETINGS AND ACTS OF THE COMMISSION.

8208. RULES AND OPERATING PROCEDURES; RULE MAKING FUNCTIONS OF THE COMMISSION AND OPTING OUT OF UNIFORM STANDARDS.

8209. COMMISSION RECORDS AND ENFORCEMENT.

8210. DISPUTE RESOLUTION.

8211. PRODUCT FILING AND APPROVAL.

8212. REVIEW OF COMMISSION DECISIONS REGARDING FILINGS.

8213. FINANCE.

8214. COMPACTING STATES, EFFECTIVE DATE AND AMENDMENT.

8215. WITHDRAWAL, DEFAULT AND TERMINATION.

8216. SEVERABILITY AND CONSTRUCTION.

8217. BINDING EFFECT OF COMPACT AND OTHER LAWS.

8218. EXEMPT PRODUCTS.

S 8201. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "INTERSTATE INSURANCE PRODUCT REGULATION COMPACT".

S 8202. PURPOSE. THE PURPOSES OF THIS COMPACT ARE, THROUGH MEANS OF JOINT AND COOPERATIVE ACTION AMONG THE COMPACTING STATES:

(A) TO PROMOTE AND PROTECT THE INTEREST OF CONSUMERS OF INDIVIDUAL AND GROUP ANNUITY, LIFE INSURANCE, DISABILITY INCOME AND LONG-TERM CARE INSURANCE PRODUCTS;

(B) TO DEVELOP UNIFORM STANDARDS FOR PRODUCTS COVERED UNDER THE COMPACT;

(C) TO ESTABLISH A CENTRAL CLEARINGHOUSE TO RECEIVE AND PROVIDE PROMPT REVIEW OF PRODUCTS COVERED UNDER THE COMPACT AND, IN CERTAIN CASES, ADVERTISEMENTS RELATED THERETO, SUBMITTED BY INSURERS AUTHORIZED TO DO BUSINESS IN ONE OR MORE COMPACTING STATES;

(D) TO GIVE APPROPRIATE REGULATORY APPROVAL TO THOSE PRODUCT FILINGS AND ADVERTISEMENTS SATISFYING THE APPLICABLE UNIFORM STANDARD;

(E) 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;

(F) TO CREATE THE INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION; AND

(G) TO PERFORM SUCH OTHER RELATED FUNCTIONS AS MAY BE CONSISTENT WITH THE STATE REGULATION OF THE BUSINESS OF INSURANCE.

S 8203. DEFINITIONS. AS USED IN THIS ARTICLE:

1 (A) "ADVERTISEMENT" MEANS ANY MATERIAL DESIGNED TO CREATE PUBLIC  
2 INTEREST IN A PRODUCT, OR INDUCE THE PUBLIC TO PURCHASE, INCREASE, MODI-  
3 FY, REINSTATE, BORROW ON, SURRENDER, REPLACE OR RETAIN A POLICY, AS MORE  
4 SPECIFICALLY DEFINED IN THE RULES AND OPERATING PROCEDURES OF THE  
5 COMMISSION.

6 (B) "BY-LAWS" MEAN THOSE BY-LAWS ESTABLISHED BY THE COMMISSION FOR ITS  
7 GOVERNANCE OR FOR DIRECTING OR CONTROLLING THE COMMISSION'S ACTIONS OR  
8 CONDUCT.

9 (C) "COMPACTING STATE" MEANS ANY STATE WHICH HAS ENACTED THIS COMPACT  
10 LEGISLATION AND WHICH HAS NOT WITHDRAWN OR BEEN TERMINATED PURSUANT TO  
11 SECTION EIGHT THOUSAND TWO HUNDRED FIFTEEN OF THIS ARTICLE.

12 (D) "COMMISSION" MEANS THE "INTERSTATE INSURANCE PRODUCT REGULATION  
13 COMMISSION" ESTABLISHED BY THE COMPACT.

14 (E) "COMMISSIONER" MEANS THE CHIEF INSURANCE REGULATORY OFFICIAL OF A  
15 STATE INCLUDING, BUT NOT LIMITED TO COMMISSIONER, SUPERINTENDENT, DIREC-  
16 TOR OR ADMINISTRATOR.

17 (F) "DOMICILIARY STATE" MEANS THE STATE IN WHICH AN INSURER IS INCOR-  
18 PORATED OR ORGANIZED OR, IN THE CASE OF AN ALIEN INSURER, ITS STATE OF  
19 ENTRY.

20 (G) "INSURER" MEANS ANY ENTITY LICENSED BY A STATE TO ISSUE CONTRACTS  
21 OF INSURANCE FOR ANY OF THE LINES OF INSURANCE COVERED BY THIS ARTICLE.

22 (H) "MEMBER" MEANS THE PERSON, OR HIS OR HER DESIGNEE, CHOSEN BY A  
23 COMPACTING STATE FOR SERVICE ON THE COMMISSION.

24 (I) "NON-COMPACTING STATE" MEANS ANY STATE WHICH IS NOT AT THE TIME A  
25 COMPACTING STATE.

26 (J) "OPERATING PROCEDURES" MEAN PROCEDURES PROMULGATED BY THE COMMIS-  
27 SION IMPLEMENTING A RULE, UNIFORM STANDARD OR A PROVISION OF THIS  
28 COMPACT.

29 (K) "PRODUCT" MEANS THE FORM OF THE CONTRACT, POLICY APPLICATION,  
30 ENDORSEMENTS, CERTIFICATE FORMS, EVIDENCE OF COVERAGE FORMS AND RELATED  
31 FORMS FOR AN INDIVIDUAL OR GROUP ANNUITY, LIFE INSURANCE, DISABILITY  
32 INCOME OR LONG-TERM CARE INSURANCE PRODUCT, WHICH AN INSURER IS AUTHOR-  
33 IZED TO ISSUE.

34 (L) "RULE" MEANS A STATEMENT OF GENERAL OR PARTICULAR APPLICABILITY  
35 AND FUTURE EFFECT PROMULGATED BY THE COMMISSION, INCLUDING A UNIFORM  
36 STANDARD DEVELOPED PURSUANT TO SECTION EIGHT THOUSAND TWO HUNDRED EIGHT  
37 OF THIS ARTICLE, DESIGNED TO IMPLEMENT, INTERPRET, OR PRESCRIBE LAW OR  
38 POLICY OR DESCRIBING THE ORGANIZATION, PROCEDURE, OR PRACTICE REQUIRE-  
39 MENTS OF THE COMMISSION, WHICH SHALL HAVE THE FORCE AND EFFECT OF LAW IN  
40 THE COMPACTING STATES.

41 (M) "STATE" MEANS ANY STATE, DISTRICT OR TERRITORY OF THE UNITED  
42 STATES OF AMERICA.

43 (N) "THIRD-PARTY FILER" MEANS AN ENTITY THAT SUBMITS A PRODUCT FILING  
44 TO THE COMMISSION ON BEHALF OF AN INSURER.

45 (O) "UNIFORM STANDARD" MEANS A STANDARD ADOPTED BY THE COMMISSION FOR  
46 A PRODUCT LINE, PURSUANT TO SECTION EIGHT THOUSAND TWO HUNDRED EIGHT OF  
47 THIS ARTICLE AND SHALL INCLUDE ALL OF THE PRODUCT REQUIREMENTS IN AGGRE-  
48 GATE; PROVIDED, THAT EACH UNIFORM STANDARD SHALL BE CONSTRUED, WHETHER  
49 EXPRESS OR IMPLIED, TO PROHIBIT THE USE OF ANY INCONSISTENT, MISLEADING  
50 OR AMBIGUOUS PROVISIONS IN A PRODUCT AND THE FORM OF SUCH PRODUCT MADE  
51 AVAILABLE TO THE PUBLIC SHALL NOT BE UNFAIR, INEQUITABLE OR AGAINST  
52 PUBLIC POLICY AS DETERMINED BY THE COMMISSION.

53 S 8204. ESTABLISHMENT OF THE COMMISSION AND VENUE. (A) THE COMPACTING  
54 STATES HEREBY ESTABLISH A JOINT PUBLIC AGENCY KNOWN AS THE "INTERSTATE  
55 INSURANCE PRODUCT REGULATION COMMISSION". PURSUANT TO SECTION EIGHT  
56 THOUSAND TWO HUNDRED EIGHT OF THIS ARTICLE, THE COMMISSION SHALL HAVE

1 THE POWER TO DEVELOP UNIFORM STANDARDS FOR PRODUCT LINES, RECEIVE AND  
2 PROVIDE PROMPT REVIEW OF PRODUCTS FILED THEREWITH, AND GIVE APPROVAL TO  
3 THOSE PRODUCT FILINGS SATISFYING APPLICABLE UNIFORM STANDARDS; PROVIDED,  
4 HOWEVER, THAT IT IS NOT INTENDED FOR THE COMMISSION TO BE THE EXCLUSIVE  
5 ENTITY FOR RECEIPT AND REVIEW OF INSURANCE PRODUCT FILINGS. NOTHING IN  
6 THIS SECTION SHALL PROHIBIT ANY INSURER FROM FILING ITS PRODUCT IN ANY  
7 STATE WHEREIN SUCH INSURER IS LICENSED TO CONDUCT THE BUSINESS OF INSUR-  
8 ANCE AND SUCH FILING SHALL BE SUBJECT TO THE LAWS OF THE STATE WHERE  
9 FILED.

10 (B) THE COMMISSION IS A BODY CORPORATE AND POLITIC, AND AN INSTRUMEN-  
11 TALITY OF THE COMPACTING STATES.

12 (C) THE COMMISSION IS A NOT-FOR-PROFIT ENTITY, SEPARATE AND DISTINCT  
13 FROM THE INDIVIDUAL COMPACTING STATES.

14 (D) THE COMMISSION IS SOLELY RESPONSIBLE FOR ITS LIABILITIES UNLESS  
15 OTHERWISE SPECIFICALLY PROVIDED IN THIS COMPACT, EXCEPT THAT, IN NO  
16 EVENT SHALL THE OBLIGATIONS OF THE COMMISSION BE THE DEBT OF THE STATE  
17 OF NEW YORK NOR SHALL ANY REVENUES OR PROPERTY OF THE STATE OF NEW YORK  
18 BE LIABLE THEREFOR.

19 (E) VENUE IN PROPER AND JUDICIAL PROCEEDINGS BY OR AGAINST THE COMMIS-  
20 SION SHALL BE BROUGHT SOLELY AND EXCLUSIVELY IN A COURT OF COMPETENT  
21 JURISDICTION WHERE THE PRINCIPAL OFFICE OF THE COMMISSION IS LOCATED.

22 S 8205. POWERS OF THE COMMISSION. (A) THE COMMISSION SHALL HAVE THE  
23 FOLLOWING POWERS:

24 (1) TO PROMULGATE RULES, PURSUANT TO SECTION EIGHT THOUSAND TWO  
25 HUNDRED EIGHT OF THIS ARTICLE, WHICH SHALL HAVE THE FORCE AND EFFECT OF  
26 LAW AND SHALL BE BINDING IN THE COMPACTING STATES TO THE EXTENT AND IN  
27 THE MANNER PROVIDED IN THIS ARTICLE;

28 (2) TO EXERCISE ITS RULE MAKING AUTHORITY AND ESTABLISH REASONABLE  
29 UNIFORM STANDARDS FOR PRODUCTS COVERED UNDER THE COMPACT, AND ADVERTISE-  
30 MENT RELATED THERETO, WHICH SHALL HAVE THE FORCE AND EFFECT OF LAW AND  
31 SHALL BE BINDING IN THE COMPACTING STATES, BUT ONLY FOR SUCH PRODUCTS  
32 FILED WITH THE COMMISSION; PROVIDED, HOWEVER, THAT A COMPACTING STATE  
33 SHALL HAVE THE RIGHT TO OPT OUT OF SUCH UNIFORM STANDARD PURSUANT TO  
34 SECTION EIGHT THOUSAND TWO HUNDRED EIGHT OF THIS ARTICLE TO THE EXTENT  
35 AND IN THE MANNER PROVIDED IN THIS ARTICLE, AND PROVIDED FURTHER THAT  
36 ANY UNIFORM STANDARD ESTABLISHED BY THE COMMISSIONER FOR LONG-TERM CARE  
37 INSURANCE PRODUCTS MAY PROVIDE THE SAME OR GREATER PROTECTIONS FOR  
38 CONSUMERS AS, BUT SHALL NOT PROVIDE LESS THAN, THOSE PROTECTIONS SET  
39 FORTH IN THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS' (HEREIN-  
40 AFTER REFERRED TO AS THE "NAIC") LONG-TERM CARE INSURANCE MODEL ACT AND  
41 LONG-TERM CARE INSURANCE MODEL REGULATION, RESPECTIVELY, ADOPTED AS OF  
42 2001. THE COMMISSION SHALL CONSIDER WHETHER ANY SUBSEQUENT AMENDMENTS TO  
43 THE NAIC LONG-TERM CARE INSURANCE MODEL ACT OR LONG-TERM CARE INSURANCE  
44 MODEL REGULATION ADOPTED BY THE NAIC REQUIRE AMENDING OF THE UNIFORM  
45 STANDARDS ESTABLISHED BY THE COMMISSION FOR LONG-TERM INSURANCE  
46 PRODUCTS;

47 (3) TO RECEIVE AND REVIEW IN AN EXPEDITIOUS MANNER PRODUCTS FILED WITH  
48 THE COMMISSION, INCLUDING RATE FILINGS FOR DISABILITY INCOME AND  
49 LONG-TERM CARE INSURANCE PRODUCTS, AND GIVE APPROVAL OF THOSE PRODUCTS  
50 AND RATE FILINGS THAT SATISFY THE APPLICABLE UNIFORM STANDARD, WHERE  
51 SUCH APPROVAL SHALL HAVE THE FORCE AND EFFECT OF LAW AND BE BINDING ON  
52 THE COMPACTING STATES TO THE EXTENT AND IN THE MANNER PROVIDED IN THE  
53 COMPACT;

54 (4) TO RECEIVE AND REVIEW IN AN EXPEDITIOUS MANNER ADVERTISEMENT  
55 RELATING TO LONG-TERM CARE INSURANCE PRODUCTS FOR WHICH UNIFORM STAND-  
56 ARDS HAVE BEEN ADOPTED BY THE COMMISSION, AND GIVE APPROVAL OF SUCH

1 ADVERTISEMENT THAT SATISFIES THE APPLICABLE UNIFORM STANDARD. FOR ANY  
2 PRODUCT COVERED UNDER THIS ARTICLE, OTHER THAN LONG-TERM CARE INSURANCE  
3 PRODUCTS, THE COMMISSION SHALL HAVE THE AUTHORITY TO REQUIRE AN INSURER  
4 TO SUBMIT ALL OR ANY PART OF ITS ADVERTISEMENT WITH RESPECT TO THAT  
5 PRODUCT FOR REVIEW OR APPROVAL PRIOR TO USE IF THE COMMISSION DETERMINES  
6 THAT THE NATURE OF THE PRODUCT IS SUCH THAT AN ADVERTISEMENT OF THE  
7 PRODUCT COULD HAVE THE CAPACITY OR TENDENCY TO MISLEAD THE PUBLIC. THE  
8 ACTIONS OF THE COMMISSION AS PROVIDED IN THIS SECTION SHALL HAVE THE  
9 FORCE AND EFFECT OF LAW AND SHALL BE BINDING IN THE COMPACTING STATES TO  
10 THE EXTENT AND IN THE MANNER PROVIDED IN THE COMPACT;

11 (5) TO EXERCISE RULE MAKING AUTHORITY AND DESIGNATE PRODUCTS AND  
12 ADVERTISEMENT THAT MAY BE SUBJECT TO A SELF-CERTIFICATION PROCESS WITH-  
13 OUT THE NEED FOR PRIOR APPROVAL BY THE COMMISSION;

14 (6) TO PROMULGATE OPERATING PROCEDURES, PURSUANT TO SECTION EIGHT  
15 THOUSAND TWO HUNDRED EIGHT OF THIS ARTICLE, WHICH SHALL BE BINDING IN  
16 THE COMPACTING STATES TO THE EXTENT AND IN THE MANNER PROVIDED IN THE  
17 COMPACT;

18 (7) TO BRING AND PROSECUTE LEGAL PROCEEDINGS OR ACTIONS IN ITS NAME AS  
19 THE COMMISSION; PROVIDED, THAT THE STANDING OF ANY STATE INSURANCE  
20 DEPARTMENT TO SUE OR BE SUED UNDER APPLICABLE LAW SHALL NOT BE AFFECTED;

21 (8) TO ISSUE SUBPOENAS REQUIRING THE ATTENDANCE AND TESTIMONY OF  
22 WITNESSES AND THE PRODUCTION OF EVIDENCE;

23 (9) TO ESTABLISH AND MAINTAIN OFFICES;

24 (10) TO PURCHASE AND MAINTAIN INSURANCE AND BONDS;

25 (11) TO BORROW, ACCEPT OR CONTRACT FOR SERVICES OF PERSONNEL, INCLUD-  
26 ING, BUT NOT LIMITED TO, EMPLOYEES OF A COMPACTING STATE;

27 (12) TO HIRE EMPLOYEES AND ELECT OR APPOINT OFFICERS, AND TO FIX THEIR  
28 COMPENSATION, DEFINE THEIR DUTIES AND GIVE THEM APPROPRIATE AUTHORITY TO  
29 CARRY OUT THE PURPOSES OF THE COMPACT, AND DETERMINE THEIR QUALIFICA-  
30 TIONS; AND TO ESTABLISH THE COMMISSION'S PERSONNEL POLICIES AND PROGRAMS  
31 RELATING TO, AMONG OTHER THINGS, CONFLICTS OF INTEREST, RATES OF COMPEN-  
32 SATION AND QUALIFICATIONS OF PERSONNEL;

33 (13) TO ACCEPT ANY AND ALL APPROPRIATE DONATIONS AND GRANTS OF MONEY,  
34 EQUIPMENT, SUPPLIES, MATERIALS AND SERVICES, AND TO RECEIVE, UTILIZE AND  
35 DISPOSE OF THE SAME; PROVIDED THAT AT ALL TIMES THE COMMISSION SHALL  
36 STRIVE TO AVOID ANY APPEARANCE OF IMPROPRIETY;

37 (14) TO LEASE, PURCHASE, ACCEPT APPROPRIATE GIFTS OR DONATIONS OF, OR  
38 OTHERWISE TO OWN, HOLD, IMPROVE OR USE, ANY PROPERTY, REAL, PERSONAL OR  
39 MIXED; PROVIDED THAT AT ALL TIMES THE COMMISSION SHALL STRIVE TO AVOID  
40 ANY APPEARANCE OF IMPROPRIETY;

41 (15) TO SELL, CONVEY, MORTGAGE, PLEDGE, LEASE, EXCHANGE, ABANDON OR  
42 OTHERWISE DISPOSE OF ANY PROPERTY, REAL, PERSONAL OR MIXED;

43 (16) TO REMIT FILING FEES TO COMPACTING STATES AS MAY BE SET FORTH IN  
44 THE BY-LAWS, RULES OR OPERATING PROCEDURES;

45 (17) TO ENFORCE COMPLIANCE BY COMPACTING STATES WITH RULES, UNIFORM  
46 STANDARDS, OPERATING PROCEDURES AND BY-LAWS;

47 (18) TO PROVIDE FOR DISPUTE RESOLUTION AMONG COMPACTING STATES;

48 (19) TO ADVISE COMPACTING STATES ON ISSUES RELATING TO INSURERS DOMI-  
49 CILED OR DOING BUSINESS IN NON-COMPACTING JURISDICTIONS, CONSISTENT WITH  
50 THE PURPOSES OF THE COMPACT;

51 (20) TO PROVIDE ADVICE AND TRAINING TO THOSE PERSONNEL IN STATE INSUR-  
52 ANCE DEPARTMENTS RESPONSIBLE FOR PRODUCT REVIEW, AND TO BE A RESOURCE  
53 FOR STATE INSURANCE DEPARTMENTS;

54 (21) TO ESTABLISH A BUDGET AND MAKE EXPENDITURES;

55 (22) TO BORROW MONEY;

(23) TO APPOINT COMMITTEES, INCLUDING ADVISORY COMMITTEES COMPRISING MEMBERS, STATE INSURANCE REGULATORS, STATE LEGISLATORS OR THEIR REPRESENTATIVES, INSURANCE INDUSTRY AND CONSUMER REPRESENTATIVES, AND SUCH OTHER INTERESTED PERSONS AS MAY BE DESIGNATED IN THE BY-LAWS;

(24) TO PROVIDE AND RECEIVE INFORMATION FROM, AND TO COOPERATE WITH LAW ENFORCEMENT AGENCIES;

(25) TO ADOPT AND USE A CORPORATE SEAL; AND

(26) TO PERFORM SUCH OTHER FUNCTIONS AS MAY BE NECESSARY OR APPROPRIATE TO ACHIEVE THE PURPOSES OF THIS COMPACT CONSISTENT WITH THE STATE REGULATION OF THE BUSINESS OF INSURANCE.

(B) ALL DONATIONS, GRANTS OF MONEY, EQUIPMENT, SUPPLIES, MATERIALS OR SERVICES, PURCHASES, GIFTS, DONATIONS, CONVEYANCES, MORTGAGES, PLEDGES, LEASES AND EXCHANGES, AS AUTHORIZED BY SUBSECTION (A) OF THIS SECTION, RECEIVED BY OR ON BEHALF OF THE COMMISSION SHALL BE LIMITED TO THE DIRECT FUNDING OF THE LAWFUL AND AUTHORIZED OPERATIONS OF THE COMMISSION.

S 8206. ORGANIZATION OF THE COMMISSION. (A) EACH COMPACTING STATE SHALL HAVE AND BE LIMITED TO ONE MEMBER. THE SUPERINTENDENT, OR HIS OR HER DESIGNATED REPRESENTATIVE, SHALL BE NEW YORK'S MEMBER OF SUCH COMMISSION. EACH MEMBER SHALL BE QUALIFIED TO SERVE IN SUCH CAPACITY PURSUANT TO APPLICABLE LAW OF THE COMPACTING STATE. ANY MEMBER MAY BE REMOVED OR SUSPENDED FROM OFFICE AS PROVIDED BY THE LAW OF THE STATE FROM WHICH HE OR SHE SHALL BE APPOINTED. ANY VACANCY OCCURRING IN THE COMMISSION SHALL BE FILLED IN ACCORDANCE WITH THE LAWS OF THE COMPACTING STATE WHEREIN SUCH VACANCY EXISTS. NOTHING HEREIN SHALL BE CONSTRUED TO AFFECT THE MANNER IN WHICH A COMPACTING STATE DETERMINES THE ELECTION OR APPOINTMENT AND QUALIFICATION OF ITS OWN SUPERINTENDENT.

(B) EACH MEMBER SHALL BE ENTITLED TO ONE VOTE AND SHALL HAVE AN OPPORTUNITY TO PARTICIPATE IN THE GOVERNANCE OF THE COMMISSION IN ACCORDANCE WITH THE BY-LAWS. NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE CONTRARY, NO ACTION OF THE COMMISSION WITH RESPECT TO THE PROMULGATION OF A UNIFORM STANDARD SHALL BE EFFECTIVE UNLESS TWO-THIRDS OF THE MEMBERS VOTE IN FAVOR THEREOF.

(C) THE COMMISSION SHALL, BY A MAJORITY OF THE MEMBERS, PRESCRIBE BY-LAWS TO GOVERN ITS CONDUCT AS MAY BE NECESSARY OR APPROPRIATE TO CARRY OUT THE PURPOSES, AND EXERCISE THE POWERS, OF THE COMPACT, INCLUDING, BUT NOT LIMITED TO:

(1) ESTABLISHING THE FISCAL YEAR OF THE COMMISSION;

(2) PROVIDING REASONABLE PROCEDURES FOR HOLDING MEETINGS OF THE MANAGEMENT COMMITTEE;

(3) PROVIDING REASONABLE STANDARDS AND PROCEDURES FOR THE ESTABLISHMENT OF OTHER COMMITTEES, AND GOVERNING ANY GENERAL OR SPECIFIC DELEGATION OF ANY AUTHORITY OR FUNCTION OF THE COMMISSION;

(4) PROVIDING REASONABLE PROCEDURES FOR CALLING AND CONDUCTING MEETINGS OF THE COMMISSION THAT CONSIST OF A MAJORITY OF COMMISSION MEMBERS, ENSURING REASONABLE ADVANCE NOTICE OF EACH SUCH MEETING, AND PROVIDING FOR THE RIGHT OF CITIZENS TO ATTEND EACH SUCH MEETING WITH ENUMERATED EXCEPTIONS DESIGNED TO PROTECT THE PUBLIC'S INTEREST, THE PRIVACY OF INDIVIDUALS AND INSURERS' PROPRIETARY INFORMATION, INCLUDING TRADE SECRETS. THE COMMISSION MAY MEET IN CAMERA ONLY AFTER A MAJORITY OF THE ENTIRE MEMBERSHIP VOTES TO CLOSE A MEETING IN TOTO OR IN PART. AS SOON AS PRACTICABLE, THE COMMISSION MUST MAKE PUBLIC A COPY OF THE VOTE TO CLOSE THE MEETING REVEALING THE VOTE OF EACH MEMBER WITH NO PROXY VOTES ALLOWED, AND VOTES TAKEN DURING SUCH MEETING;

(5) ESTABLISHING THE TITLES, DUTIES AND AUTHORITY AND REASONABLE PROCEDURES FOR THE ELECTION OF THE OFFICERS OF THE COMMISSION;

(6) PROVIDING REASONABLE STANDARDS AND PROCEDURES FOR THE ESTABLISHMENT OF THE PERSONNEL POLICIES AND PROGRAMS OF THE COMMISSION. NOTWITHSTANDING ANY CIVIL SERVICE OR OTHER SIMILAR LAWS OF ANY COMPACTING STATE, THE BY-LAWS SHALL EXCLUSIVELY GOVERN THE PERSONNEL POLICIES AND PROGRAMS OF THE COMMISSION;

(7) PROMULGATING A CODE OF ETHICS TO ADDRESS PERMISSIBLE AND PROHIBITED ACTIVITIES OF COMMISSION MEMBERS AND EMPLOYEES; AND

(8) PROVIDING A MECHANISM FOR WINDING UP THE OPERATIONS OF THE COMMISSION AND THE EQUITABLE DISPOSITION OF ANY SURPLUS FUNDS THAT MAY EXIST AFTER THE TERMINATION OF THE COMPACT AFTER THE PAYMENT AND/OR RESERVING OF ALL OF ITS DEBTS AND OBLIGATIONS.

(D) THE COMMISSION SHALL PUBLISH ITS BY-LAWS IN A CONVENIENT FORM AND FILE A COPY THEREOF AND A COPY OF ANY AMENDMENT THERETO, WITH THE APPROPRIATE AGENCY OR OFFICER IN EACH OF THE COMPACTING STATES.

(E) A MANAGEMENT COMMITTEE COMPRISING NO MORE THAN FOURTEEN MEMBERS SHALL BE ESTABLISHED AS FOLLOWS:

(1) ONE MEMBER FROM EACH OF THE SIX COMPACTING STATES WITH THE LARGEST PREMIUM VOLUME FOR INDIVIDUAL AND GROUP ANNUITIES, LIFE, DISABILITY INCOME AND LONG-TERM CARE INSURANCE PRODUCTS, DETERMINED FROM THE RECORDS OF THE NAIC AS OF DECEMBER THIRTY-FIRST OF THE PRIOR YEAR;

(2) FOUR MEMBERS FROM THOSE COMPACTING STATES WITH AT LEAST TWO PERCENT OF THE MARKET BASED ON THE PREMIUM VOLUME DESCRIBED IN PARAGRAPH ONE OF THIS SUBSECTION, OTHER THAN SIX COMPACTING STATES WITH THE LARGEST PREMIUM VOLUME, SELECTED ON A ROTATING BASIS AS PROVIDED IN THE BY-LAWS; AND

(3) FOUR MEMBERS FROM THOSE COMPACTING STATES WITH LESS THAN TWO PERCENT OF THE MARKET, BASED ON THE PREMIUM VOLUME DESCRIBED IN PARAGRAPH ONE OF THIS SUBSECTION, WITH ONE SELECTED FROM EACH OF THE FOUR ZONE REGIONS OF THE NAIC AS PROVIDED IN THE BY-LAWS.

(F) THE MANAGEMENT COMMITTEE SHALL HAVE SUCH AUTHORITY AND DUTIES AS MAY BE SET FORTH IN THE BY-LAWS, INCLUDING BUT NOT LIMITED TO:

(1) MANAGING THE AFFAIRS OF THE COMMISSION IN A MANNER CONSISTENT WITH THE BY-LAWS AND PURPOSES OF THE COMMISSION;

(2) ESTABLISHING AND OVERSEEING AN ORGANIZATIONAL STRUCTURE WITHIN, AND APPROPRIATE PROCEDURES FOR, THE COMMISSION TO PROVIDE FOR THE CREATION OF UNIFORM STANDARDS AND OTHER RULES, RECEIPT AND REVIEW OF PRODUCT FILINGS, ADMINISTRATIVE AND TECHNICAL SUPPORT FUNCTIONS, REVIEW OF DECISIONS REGARDING THE DISAPPROVAL OF A PRODUCT FILING, AND THE REVIEW OF ELECTIONS MADE BY A COMPACTING STATE TO OPT OUT OF A UNIFORM STANDARD; PROVIDED THAT A UNIFORM STANDARD SHALL NOT BE SUBMITTED TO THE COMPACTING STATES FOR ADOPTION UNLESS APPROVED BY TWO-THIRDS OF THE MEMBERS OF THE MANAGEMENT COMMITTEE;

(3) OVERSEEING THE OFFICES OF THE COMMISSION; AND

(4) PLANNING, IMPLEMENTING, AND COORDINATING COMMUNICATIONS AND ACTIVITIES WITH OTHER STATE, FEDERAL AND LOCAL GOVERNMENT ORGANIZATIONS IN ORDER TO ADVANCE THE GOALS OF THE COMMISSION.

(G) THE COMMISSION SHALL ELECT ANNUALLY OFFICERS FROM THE MANAGEMENT COMMITTEE, WITH EACH HAVING SUCH AUTHORITY AND DUTIES, AS MAY BE SPECIFIED IN THE BY-LAWS.

(H) THE MANAGEMENT COMMITTEE MAY, SUBJECT TO THE APPROVAL OF THE COMMISSION, APPOINT OR RETAIN AN EXECUTIVE DIRECTOR FOR SUCH PERIOD, UPON SUCH TERMS AND CONDITIONS AND FOR SUCH COMPENSATION AS THE COMMISSION MAY DEEM APPROPRIATE. THE EXECUTIVE DIRECTOR SHALL SERVE AS SECRETARY TO THE COMMISSION, BUT SHALL NOT BE A MEMBER OF THE COMMISSION. THE EXECUTIVE DIRECTOR SHALL HIRE AND SUPERVISE SUCH OTHER STAFF AS MAY BE AUTHORIZED BY THE COMMISSION.

(I) A LEGISLATIVE COMMITTEE COMPRISING STATE LEGISLATORS OR THEIR DESIGNEES SHALL BE ESTABLISHED TO MONITOR THE OPERATIONS OF, AND MAKE RECOMMENDATIONS TO, THE COMMISSION; PROVIDED THAT THE MANNER OF SELECTION AND TERM OF ANY LEGISLATIVE COMMITTEE MEMBER SHALL BE AS SET FORTH IN THE BY-LAWS. PRIOR TO THE ADOPTION BY THE COMMISSION OF ANY UNIFORM STANDARD, REVISION TO THE BY-LAWS, ANNUAL BUDGET OR OTHER SIGNIFICANT MATTER AS MAY BE PROVIDED IN THE BY-LAWS, THE MANAGEMENT COMMITTEE SHALL CONSULT WITH AND REPORT TO THE LEGISLATIVE COMMITTEE.

(J) THE COMMISSION SHALL ESTABLISH TWO ADVISORY COMMITTEES, ONE OF WHICH SHALL COMPRISE CONSUMER REPRESENTATIVES INDEPENDENT OF THE INSURANCE INDUSTRY AND THE OTHER COMPRISING INSURANCE INDUSTRY REPRESENTATIVES.

(K) THE COMMISSION MAY ESTABLISH ADDITIONAL ADVISORY COMMITTEES AS ITS BY-LAWS MAY PROVIDE FOR THE CARRYING OUT OF ITS FUNCTIONS.

(L) THE COMMISSION SHALL MAINTAIN ITS CORPORATE BOOKS AND RECORDS IN ACCORDANCE WITH THE BY-LAWS.

(M) THE MEMBERS, OFFICERS, EXECUTIVE DIRECTOR, EMPLOYEES AND REPRESENTATIVES OF THE COMMISSION SHALL BE IMMUNE FROM SUIT AND LIABILITY, EITHER PERSONALLY OR IN THEIR OFFICIAL CAPACITY, FOR ANY ACTION TAKEN REASONABLY AND IN GOOD FAITH WHICH RESULTS IN A CLAIM FOR DAMAGE TO OR LOSS OF PROPERTY OR PERSONAL INJURY OR OTHER CIVIL LIABILITY CAUSED BY OR ARISING OUT OF ANY ACTUAL OR ALLEGED ACT, ERROR OR OMISSION THAT OCCURRED, OR THAT SUCH PERSON HAD A REASONABLE BASIS FOR BELIEVING OCCURRED WITHIN THE SCOPE OF COMMISSION EMPLOYMENT, DUTIES OR RESPONSIBILITIES; PROVIDED, THAT NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROTECT ANY SUCH PERSON FROM SUIT AND/OR LIABILITY FOR ANY DAMAGE, LOSS, INJURY OR LIABILITY CAUSED BY THE INTENTIONAL OR WILLFUL AND WANTON MISCONDUCT OF THAT PERSON.

(N) THE COMMISSION SHALL DEFEND ANY MEMBER, OFFICER, EXECUTIVE DIRECTOR, EMPLOYEE OR REPRESENTATIVE OF THE COMMISSION IN ANY CIVIL ACTION SEEKING TO IMPOSE LIABILITY ARISING OUT OF ANY ACTUAL OR ALLEGED ACT, ERROR OR OMISSION THAT OCCURRED WITHIN THE SCOPE OF COMMISSION EMPLOYMENT, DUTIES OR RESPONSIBILITIES, OR THAT THE DEFENDANT HAD A REASONABLE BASIS FOR BELIEVING OCCURRED WITHIN THE SCOPE OF COMMISSION EMPLOYMENT, DUTIES OR RESPONSIBILITIES; PROVIDED, THAT NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROHIBIT THAT PERSON FROM RETAINING HIS OR HER OWN COUNSEL; AND PROVIDED FURTHER, THAT THE ACTUAL OR ALLEGED ACT, ERROR OR OMISSION DID NOT RESULT FROM THAT PERSON'S INTENTIONAL OR WILLFUL AND WANTON MISCONDUCT.

(O) THE COMMISSION SHALL INDEMNIFY AND HOLD HARMLESS ANY MEMBER, OFFICER, EXECUTIVE DIRECTOR, EMPLOYEE OR REPRESENTATIVE OF THE COMMISSION FOR THE AMOUNT OF ANY SETTLEMENT OR JUDGMENT OBTAINED AGAINST SUCH PERSONS ARISING OUT OF ANY ACTUAL OR ALLEGED ACT, ERROR OR OMISSION THAT OCCURRED WITHIN THE SCOPE OF COMMISSION EMPLOYMENT, DUTIES OR RESPONSIBILITIES, OR THAT SUCH PERSON HAD A REASONABLE BASIS FOR BELIEVING OCCURRED WITHIN THE SCOPE OF COMMISSION EMPLOYMENT, DUTIES OR RESPONSIBILITIES, PROVIDED, THAT THE ACTUAL OR ALLEGED ACT, ERROR OR OMISSION DID NOT RESULT FROM THE INTENTIONAL OR WILLFUL AND WANTON MISCONDUCT OF ANY SUCH PERSON.

S 8207. MEETINGS AND ACTS OF THE COMMISSION. (A) THE COMMISSION SHALL MEET AND TAKE SUCH ACTIONS AS ARE CONSISTENT WITH THE PROVISIONS OF THIS COMPACT AND THE BY-LAWS.

(B) EACH MEMBER OF THE COMMISSION SHALL HAVE THE RIGHT AND POWER TO CAST A VOTE TO WHICH THAT COMPACTING STATE IS ENTITLED AND TO PARTICIPATE IN THE BUSINESS AND AFFAIRS OF THE COMMISSION. A MEMBER SHALL VOTE IN PERSON OR BY SUCH OTHER MEANS AS PROVIDED IN THE BY-LAWS. THE BY-LAWS



1 MAY PROVIDE FOR MEMBERS' PARTICIPATION IN MEETINGS BY TELEPHONE OR OTHER  
2 MEANS OF COMMUNICATION.

3 (C) THE COMMISSION SHALL MEET AT LEAST ONCE DURING EACH CALENDAR YEAR.  
4 ADDITIONAL MEETINGS SHALL BE HELD AS SET FORTH IN THE BY-LAWS.

5 S 8208. RULES AND OPERATING PROCEDURES; RULE MAKING FUNCTIONS OF THE  
6 COMMISSION AND OPTING OUT OF UNIFORM STANDARDS. (A) THE COMMISSION SHALL  
7 PROMULGATE REASONABLE RULES, INCLUDING UNIFORM STANDARDS AND OPERATING  
8 PROCEDURES, IN ORDER TO EFFECTIVELY AND EFFICIENTLY ACHIEVE THE PURPOSES  
9 OF THE COMPACT. NOTWITHSTANDING THE FOREGOING, IN THE EVENT THE COMMIS-  
10 SION EXERCISES ITS RULE MAKING AUTHORITY IN A MANNER THAT IS BEYOND THE  
11 SCOPE OF THE PURPOSES OF THIS ARTICLE, OR THE POWERS GRANTED IN THIS  
12 SECTION, THEN SUCH ACTION BY THE COMMISSION SHALL BE INVALID AND HAVE NO  
13 FORCE AND EFFECT.

14 (B) RULES AND OPERATING PROCEDURES SHALL BE MADE PURSUANT TO A RULE  
15 MAKING PROCESS THAT CONFORMS TO THE STATE ADMINISTRATIVE PROCEDURE ACT  
16 OF 1981 AS AMENDED, AS MAY BE APPROPRIATE TO THE OPERATIONS OF THE  
17 COMMISSION. BEFORE THE COMMISSION ADOPTS A UNIFORM STANDARD, THE COMMIS-  
18 SION SHALL GIVE WRITTEN NOTICE TO THE RELEVANT STATE LEGISLATIVE COMMIT-  
19 TEE IN EACH COMPACTING STATE RESPONSIBLE FOR INSURANCE ISSUES OF ITS  
20 INTENTION TO ADOPT SUCH UNIFORM STANDARD. THE COMMISSION IN ADOPTING A  
21 UNIFORM STANDARD SHALL CONSIDER FULLY ALL SUBMITTED MATERIALS AND ISSUE  
22 A CONCISE EXPLANATION OF ITS DECISION.

23 (C) A UNIFORM STANDARD SHALL BECOME EFFECTIVE NINETY DAYS AFTER ITS  
24 PROMULGATION BY THE COMMISSION OR SUCH LATER DATE AS THE COMMISSION MAY  
25 DETERMINE; PROVIDED, HOWEVER, THAT A COMPACTING STATE MAY OPT OUT OF A  
26 UNIFORM STANDARD AS PROVIDED IN THIS ARTICLE. "OPT OUT" SHALL BE DEFINED  
27 AS ANY ACTION BY A COMPACTING STATE TO DECLINE TO ADOPT OR PARTICIPATE  
28 IN A PROMULGATED UNIFORM STANDARD. ALL OTHER RULES AND OPERATING PROCE-  
29 DURES, AND AMENDMENTS THERETO, SHALL BECOME EFFECTIVE AS OF THE DATE  
30 SPECIFIED IN EACH RULE, OPERATING PROCEDURE OR AMENDMENT.

31 (D) A COMPACTING STATE MAY OPT OUT OF A UNIFORM STANDARD, EITHER BY  
32 LEGISLATION OR REGULATION DULY PROMULGATED BY THE SUPERINTENDENT UNDER  
33 THE STATE ADMINISTRATIVE PROCEDURE ACT. IF A COMPACTING STATE ELECTS TO  
34 OPT OUT OF A UNIFORM STANDARD BY REGULATION, IT MUST GIVE WRITTEN NOTICE  
35 TO THE COMMISSION NO LATER THAN TEN BUSINESS DAYS AFTER THE UNIFORM  
36 STANDARD IS PROMULGATED OR AT THE TIME THE STATE BECOMES A COMPACTING  
37 STATE, AND FIND THAT THE UNIFORM STANDARD DOES NOT PROVIDE REASONABLE  
38 PROTECTIONS TO THE CITIZENS OF THE STATE GIVEN THE CONDITIONS IN THE  
39 STATE. THE SUPERINTENDENT SHALL MAKE SPECIFIC FINDINGS OF FACT AND  
40 CONCLUSIONS OF LAW, BASED ON A PREPONDERANCE OF THE EVIDENCE, DETAILING  
41 THE CONDITIONS IN THE STATE WHICH WARRANT A DEPARTURE FROM THE UNIFORM  
42 STANDARD AND DETERMINING THAT THE UNIFORM STANDARD WOULD NOT REASONABLY  
43 PROTECT THE CITIZENS OF THE STATE. THE SUPERINTENDENT MUST CONSIDER AND  
44 BALANCE THE FOLLOWING FACTORS AND FIND THAT THE CONDITIONS IN THE STATE  
45 AND NEEDS OF THE CITIZENS OF THE STATE OUTWEIGH:

46 (1) THE INTENT OF THE LEGISLATURE TO PARTICIPATE IN, AND THE BENEFITS  
47 OF, AN INTERSTATE AGREEMENT TO ESTABLISH NATIONAL UNIFORM CONSUMER  
48 PROTECTIONS FOR THE PRODUCTS SUBJECT TO THIS ARTICLE; AND

49 (2) THE PRESUMPTION THAT A UNIFORM STANDARD ADOPTED BY THE COMMISSION  
50 PROVIDES REASONABLE PROTECTIONS TO CONSUMERS OF THE RELEVANT PRODUCT.

51 NOTWITHSTANDING THE FOREGOING, A COMPACTING STATE MAY, AT THE TIME OF  
52 ITS ENACTMENT OF THE COMPACT, PROSPECTIVELY OPT OUT OF ALL UNIFORM STAN-  
53 DARDS INVOLVING THE LONG-TERM CARE INSURANCE PRODUCTS BY EXPRESSLY  
54 PROVIDING FOR SUCH OPT OUT IN THE ENACTED COMPACT, AND SUCH OPT OUT  
55 SHALL NOT BE TREATED AS A MATERIAL VARIANCE IN THE OFFER OR ACCEPTANCE  
56 OF ANY STATE TO PARTICIPATE IN THE COMPACT. SUCH AN OPT OUT SHALL BE

1 EFFECTIVE AT THE TIME OF ENACTMENT OF THE COMPACT BY THE COMPACTING  
2 STATE AND SHALL APPLY TO ALL EXISTING UNIFORM STANDARDS INVOLVING LONG-  
3 TERM CARE INSURANCE PRODUCTS AND THOSE SUBSEQUENTLY PROMULGATED.

4 (E) IF A COMPACTING STATE ELECTS TO OPT OUT OF A UNIFORM STANDARD, THE  
5 UNIFORM STANDARD SHALL REMAIN APPLICABLE IN THE COMPACTING STATE ELECT-  
6 ING TO OPT OUT UNTIL SUCH TIME THE OPT OUT LEGISLATION IS ENACTED INTO  
7 LAW OR THE REGULATION IS PROMULGATED.

8 (F) ONCE THE OPT OUT OF A UNIFORM STANDARD BY A COMPACTING STATE  
9 BECOMES EFFECTIVE AS PROVIDED UNDER THE LAWS OF THAT STATE, THE UNIFORM  
10 STANDARD SHALL HAVE NO FURTHER FORCE AND EFFECT IN THAT STATE UNLESS AND  
11 UNTIL THE LEGISLATION OR REGULATION IMPLEMENTING THE OPT OUT IS REPEALED  
12 OR OTHERWISE BECOMES INEFFECTIVE UNDER THE LAWS OF THE STATE. IF A  
13 COMPACTING STATE OPTS OUT OF A UNIFORM STANDARD AFTER THE UNIFORM STAND-  
14 ARD HAS BEEN MADE EFFECTIVE IN THAT STATE, THE OPT OUT SHALL HAVE THE  
15 SAME PROSPECTIVE EFFECT AS PROVIDED UNDER SECTION EIGHT THOUSAND TWO  
16 HUNDRED FIFTEEN OF THIS ARTICLE FOR WITHDRAWALS.

17 (G) IF A COMPACTING STATE HAS FORMALLY INITIATED THE PROCESS OF OPTING  
18 OUT OF A UNIFORM STANDARD BY REGULATION, AND WHILE THE REGULATORY OPT  
19 OUT IS PENDING, THE COMPACTING STATE MAY PETITION THE COMMISSION, AT  
20 LEAST FIFTEEN DAYS BEFORE THE EFFECTIVE DATE OF THE UNIFORM STANDARD, TO  
21 STAY THE EFFECTIVENESS OF THE UNIFORM STANDARD IN THAT STATE. THE  
22 COMMISSION MAY GRANT A STAY IF IT DETERMINES THE REGULATORY OPT OUT IS  
23 BEING PURSUED IN A REASONABLE MANNER AND THERE IS A LIKELIHOOD OF  
24 SUCCESS. IF A STAY IS GRANTED OR EXTENDED BY THE COMMISSION, THE STAY OR  
25 EXTENSION THEREOF MAY POSTPONE THE EFFECTIVE DATE BY UP TO NINETY DAYS,  
26 UNLESS AFFIRMATIVELY EXTENDED BY THE COMMISSION; PROVIDED HOWEVER, A  
27 STAY MAY NOT BE PERMITTED TO REMAIN IN EFFECT FOR MORE THAN ONE YEAR  
28 UNLESS THE COMPACTING STATE CAN SHOW EXTRAORDINARY CIRCUMSTANCES WHICH  
29 WARRANT A CONTINUANCE OF THE STAY INCLUDING, BUT NOT LIMITED TO, THE  
30 EXISTENCE OF A LEGAL CHALLENGE WHICH PREVENTS THE COMPACTING STATE FROM  
31 OPTING OUT. A STAY MAY BE TERMINATED BY THE COMMISSION UPON NOTICE THAT  
32 THE RULE MAKING PROCESS HAS BEEN TERMINATED.

33 (H) NOT LATER THAN THIRTY DAYS AFTER A RULE OR OPERATING PROCEDURE IS  
34 PROMULGATED, ANY PERSON MAY FILE A PETITION FOR JUDICIAL REVIEW OF THE  
35 RULE OR OPERATING PROCEDURE; PROVIDED, HOWEVER, THAT THE FILING OF SUCH  
36 A PETITION SHALL NOT STAY OR OTHERWISE PREVENT THE RULE OR OPERATING  
37 PROCEDURE FROM BECOMING EFFECTIVE UNLESS THE COURT FINDS THAT THE PETI-  
38 TIONER HAS A SUBSTANTIAL LIKELIHOOD OF SUCCESS. THE COURT SHALL GIVE  
39 DEFERENCE TO THE ACTIONS OF THE COMMISSION CONSISTENT WITH APPLICABLE  
40 LAW AND SHALL NOT FIND THE RULE OR OPERATING PROCEDURE TO BE UNLAWFUL IF  
41 THE RULE OR OPERATING PROCEDURE REPRESENTS A REASONABLE EXERCISE OF THE  
42 COMMISSION'S AUTHORITY.

43 S 8209. COMMISSION RECORDS AND ENFORCEMENT. (A) THE COMMISSION SHALL  
44 PROMULGATE RULES ESTABLISHING CONDITIONS AND PROCEDURES FOR PUBLIC  
45 INSPECTION AND COPYING OF ITS INFORMATION AND OFFICIAL RECORDS, EXCEPT  
46 SUCH INFORMATION AND RECORDS INVOLVING THE PRIVACY OF INDIVIDUALS AND  
47 INSURERS' TRADE SECRETS. THE COMMISSION MAY PROMULGATE ADDITIONAL RULES  
48 UNDER WHICH IT MAY MAKE AVAILABLE TO FEDERAL AND STATE AGENCIES, INCLUD-  
49 ING LAW ENFORCEMENT AGENCIES, RECORDS AND INFORMATION OTHERWISE EXEMPT  
50 FROM DISCLOSURE, AND MAY ENTER INTO AGREEMENTS WITH SUCH AGENCIES TO  
51 RECEIVE OR EXCHANGE INFORMATION OR RECORDS SUBJECT TO NONDISCLOSURE AND  
52 CONFIDENTIALITY PROVISIONS.

53 (B) EXCEPT AS TO PRIVILEGED RECORDS, DATA AND INFORMATION, THE LAWS OF  
54 ANY COMPACTING STATE PERTAINING TO CONFIDENTIALITY OR NONDISCLOSURE  
55 SHALL NOT RELIEVE ANY COMPACTING STATE COMMISSIONER OF THE DUTY TO  
56 DISCLOSE ANY RELEVANT RECORDS, DATA OR INFORMATION TO THE COMMISSION;

1 PROVIDED HOWEVER, THAT DISCLOSURE TO THE COMMISSION SHALL NOT BE DEEMED  
2 TO WAIVE OR OTHERWISE AFFECT ANY CONFIDENTIALITY REQUIREMENT; AND  
3 PROVIDED FURTHER THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS  
4 ARTICLE, THE COMMISSION SHALL NOT BE SUBJECT TO THE LAWS OF ANY COMPACT-  
5 ING STATE PERTAINING TO CONFIDENTIALITY AND NONDISCLOSURE WITH RESPECT  
6 TO RECORDS, DATA AND INFORMATION IN ITS POSSESSION. CONFIDENTIAL INFOR-  
7 MATION OF THE COMMISSION SHALL REMAIN CONFIDENTIAL AFTER SUCH INFORMA-  
8 TION IS PROVIDED TO ANY COMMISSIONER.

9 (C) THE COMMISSION SHALL MONITOR COMPACTING STATES FOR COMPLIANCE WITH  
10 DULY ADOPTED BY-LAWS, RULES, INCLUDING UNIFORM STANDARDS, AND OPERATING  
11 PROCEDURES. THE COMMISSION SHALL NOTIFY SUCH NONCOMPLYING COMPACTING  
12 STATE IN WRITING OF ITS NONCOMPLIANCE WITH COMMISSION BY-LAWS, RULES OR  
13 OPERATING PROCEDURES. IF THE NONCOMPLYING COMPACTING STATE FAILS TO  
14 REMEDY SUCH NONCOMPLIANCE WITHIN THE TIME SPECIFIED IN THE NOTICE OF  
15 NONCOMPLIANCE, THE COMPACTING STATE SHALL BE DEEMED TO BE IN DEFAULT AS  
16 SET FORTH IN SECTION EIGHT THOUSAND TWO HUNDRED FIFTEEN OF THIS ARTICLE.

17 (D) THE COMMISSIONER OF ANY STATE IN WHICH AN INSURER IS AUTHORIZED TO  
18 DO BUSINESS, OR IS CONDUCTING THE BUSINESS OF INSURANCE, SHALL CONTINUE  
19 TO EXERCISE HIS OR HER AUTHORITY TO OVERSEE THE MARKET REGULATION OF THE  
20 ACTIVITIES OF THE INSURER IN ACCORDANCE WITH THE PROVISIONS OF THE  
21 STATE'S LAW. THE COMMISSIONER'S ENFORCEMENT OF COMPLIANCE WITH THE  
22 COMPACT IS GOVERNED BY THE FOLLOWING PROVISIONS:

23 (1) WITH RESPECT TO THE COMMISSIONER'S MARKET REGULATION OF A PRODUCT  
24 OR ADVERTISEMENT THAT IS APPROVED OR CERTIFIED BY THE COMMISSION, THE  
25 CONTENT OF THE PRODUCT OR ADVERTISEMENT SHALL NOT CONSTITUTE A VIOLATION  
26 OF THE PROVISIONS, STANDARDS OR REQUIREMENTS OF THE COMPACT EXCEPT UPON  
27 A FINAL ORDER OF THE COMMISSION, ISSUED AT THE REQUEST OF A COMMISSIONER  
28 AFTER PRIOR NOTICE TO THE INSURER AND AN OPPORTUNITY FOR HEARING BEFORE  
29 THE COMMISSION.

30 (2) BEFORE A COMMISSIONER MAY BRING AN ACTION FOR VIOLATION OF ANY  
31 PROVISION, STANDARD OR REQUIREMENT OF THE COMPACT RELATING TO THE  
32 CONTENT OF AN ADVERTISEMENT NOT APPROVED OR CERTIFIED BY THE COMMISSION,  
33 THE COMMISSION OR AN AUTHORIZED COMMISSION OFFICER OR EMPLOYEE, MUST  
34 AUTHORIZE THE ACTION. HOWEVER, AUTHORIZATION PURSUANT TO THIS PARAGRAPH  
35 DOES NOT REQUIRE NOTICE TO THE INSURER, OPPORTUNITY FOR HEARING OR  
36 DISCLOSURE OF REQUESTS FOR AUTHORIZATION OR RECORDS OF THE COMMISSION'S  
37 ACTION ON SUCH REQUESTS.

38 S 8210. DISPUTE RESOLUTION. THE COMMISSION SHALL ATTEMPT, UPON THE  
39 REQUEST OF A MEMBER, TO RESOLVE ANY DISPUTES OR OTHER ISSUES THAT ARE  
40 SUBJECT TO THIS COMPACT AND WHICH MAY ARISE BETWEEN TWO OR MORE COMPACT-  
41 ING STATES, OR BETWEEN COMPACTING STATES AND NON-COMPACTING STATES, AND  
42 THE COMMISSION SHALL PROMULGATE AN OPERATING PROCEDURE PROVIDING FOR  
43 RESOLUTION OF SUCH DISPUTES.

44 S 8211. PRODUCT FILING AND APPROVAL. (A) INSURERS AND THIRD-PARTY  
45 FILERS SEEKING TO HAVE A PRODUCT APPROVED BY THE COMMISSION SHALL FILE  
46 SUCH PRODUCT WITH, AND PAY APPLICABLE FILING FEES TO, THE COMMISSION.  
47 NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO RESTRICT OR OTHERWISE  
48 PREVENT AN INSURER FROM FILING ITS PRODUCT WITH THE INSURANCE DEPARTMENT  
49 IN ANY STATE WHEREIN SUCH INSURER IS LICENSED TO CONDUCT THE BUSINESS OF  
50 INSURANCE, AND SUCH FILING SHALL BE SUBJECT TO THE LAWS OF THE STATES  
51 WHERE FILED.

52 (B) THE COMMISSION SHALL ESTABLISH APPROPRIATE FILING AND REVIEW PROC-  
53 ESSES AND PROCEDURES PURSUANT TO COMMISSION RULES AND OPERATING PROC-  
54 DURES. NOTWITHSTANDING ANY PROVISION IN THIS SECTION TO THE CONTRARY,  
55 THE COMMISSION SHALL PROMULGATE RULES TO ESTABLISH CONDITIONS AND PROC-  
56 DURES UNDER WHICH THE COMMISSION WILL PROVIDE PUBLIC ACCESS TO PRODUCT

1 FILING INFORMATION. IN ESTABLISHING SUCH RULES, THE COMMISSION SHALL  
2 CONSIDER THE INTERESTS OF THE PUBLIC IN HAVING ACCESS TO SUCH INFORMA-  
3 TION, AS WELL AS PROTECTION OF PERSONAL MEDICAL AND FINANCIAL INFORMA-  
4 TION AND TRADE SECRETS, THAT MAY BE CONTAINED IN A PRODUCT FILING OR  
5 SUPPORTING INFORMATION.

6 (C) ANY PRODUCT APPROVED BY THE COMMISSION MAY BE SOLD OR OTHERWISE  
7 ISSUED IN THOSE COMPACTING STATES IN WHICH THE INSURER IS LEGALLY  
8 AUTHORIZED TO DO BUSINESS.

9 S 8212. REVIEW OF COMMISSION DECISIONS REGARDING FILINGS. (A) NOT  
10 LATER THAN THIRTY DAYS AFTER THE COMMISSION HAS GIVEN NOTICE OF A DISAP-  
11 PROVED PRODUCT OR ADVERTISEMENT FILED WITH THE COMMISSION, THE INSURER  
12 OR THIRD PARTY FILER WHOSE FILING WAS DISAPPROVED MAY APPEAL THE DETER-  
13 MINATION TO A REVIEW PANEL APPOINTED BY THE COMMISSION. THE COMMISSION  
14 SHALL PROMULGATE RULES TO ESTABLISH PROCEDURES FOR APPOINTING SUCH  
15 REVIEW PANEL AND PROVIDE FOR NOTICE AND HEARING. AN ALLEGATION THAT THE  
16 COMMISSION, IN DISAPPROVING A PRODUCT OR ADVERTISEMENT FILED WITH THE  
17 COMMISSION, ACTED ARBITRARILY, CAPRICIOUSLY OR IN A MANNER THAT IS AN  
18 ABUSE OF DISCRETION OR OTHERWISE NOT IN ACCORDANCE WITH LAW, IS SUBJECT  
19 TO JUDICIAL REVIEW IN ACCORDANCE WITH SUBSECTION (E) OF SECTION EIGHT  
20 THOUSAND TWO HUNDRED FOUR OF THIS ARTICLE.

21 (B) THE COMMISSION SHALL HAVE AUTHORITY TO MONITOR, REVIEW AND RECON-  
22 sider PRODUCTS AND ADVERTISEMENT SUBSEQUENT TO THEIR FILING OR APPROVAL  
23 UPON A FINDING THAT THE PRODUCT DOES NOT MEET THE RELEVANT UNIFORM STAN-  
24 DARD. WHERE APPROPRIATE, THE COMMISSION MAY WITHDRAW OR MODIFY ITS  
25 APPROVAL AFTER PROPER NOTICE AND HEARING, SUBJECT TO THE APPEAL PROCESS  
26 SET FORTH IN SUBSECTION (A) OF THIS SECTION.

27 S 8213. FINANCE. (A) THE COMMISSION SHALL PAY OR PROVIDE FOR THE  
28 PAYMENT OF THE REASONABLE EXPENSES OF ITS ESTABLISHMENT AND ORGANIZA-  
29 TION. TO FUND THE COST OF ITS INITIAL OPERATIONS, THE COMMISSION MAY  
30 ACCEPT CONTRIBUTIONS AND OTHER FORMS OF FUNDING FROM THE NAIC, COMPACT-  
31 ING STATES AND OTHER SOURCES. CONTRIBUTIONS AND OTHER FORMS OF FUNDING  
32 FROM OTHER SOURCES SHALL BE OF SUCH A NATURE THAT THE INDEPENDENCE OF  
33 THE COMMISSION CONCERNING THE PERFORMANCE OF ITS DUTIES SHALL NOT BE  
34 COMPROMISED.

35 (B) THE COMMISSION SHALL COLLECT A FILING FEE FROM EACH INSURER AND  
36 THIRD PARTY FILER FILING A PRODUCT WITH THE COMMISSION TO COVER THE COST  
37 OF THE OPERATIONS AND ACTIVITIES OF THE COMMISSION AND ITS STAFF IN A  
38 TOTAL AMOUNT SUFFICIENT TO COVER THE COMMISSION'S ANNUAL BUDGET.

39 (C) THE COMMISSION'S BUDGET FOR A FISCAL YEAR SHALL NOT BE APPROVED  
40 UNTIL IT HAS BEEN SUBJECT TO NOTICE AND COMMENT AS SET FORTH IN SECTION  
41 EIGHT THOUSAND TWO HUNDRED EIGHT OF THIS ARTICLE.

42 (D) THE COMMISSION SHALL BE EXEMPT FROM ALL TAXATION IN AND BY THE  
43 COMPACTING STATES.

44 (E) THE COMMISSION SHALL NOT PLEDGE THE CREDIT OF ANY COMPACTING  
45 STATE, EXCEPT BY AND WITH THE APPROPRIATE LEGAL AUTHORITY OF THAT  
46 COMPACTING STATE.

47 (F) THE COMMISSION SHALL KEEP COMPLETE AND ACCURATE ACCOUNTS OF ALL  
48 ITS INTERNAL RECEIPTS, INCLUDING GRANTS AND DONATIONS AND DISBURSEMENTS  
49 OF ALL FUNDS UNDER ITS CONTROL. THE INTERNAL FINANCIAL ACCOUNTS OF THE  
50 COMMISSION SHALL BE SUBJECT TO THE ACCOUNTING PROCEDURES ESTABLISHED  
51 UNDER ITS BY-LAWS. THE FINANCIAL ACCOUNTS AND REPORTS INCLUDING THE  
52 SYSTEM OF INTERNAL CONTROLS AND PROCEDURES OF THE COMMISSION SHALL BE  
53 AUDITED ANNUALLY BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT. UPON THE  
54 DETERMINATION OF THE COMMISSION, BUT NO LESS FREQUENTLY THAN EVERY THREE  
55 YEARS, THE REVIEW OF SUCH INDEPENDENT AUDITOR SHALL INCLUDE A MANAGEMENT  
56 AND PERFORMANCE AUDIT OF THE COMMISSION. THE COMMISSION SHALL MAKE AN

1 ANNUAL REPORT TO THE GOVERNOR AND LEGISLATURE OF THE COMPACTING STATES,  
2 WHICH SHALL INCLUDE A REPORT OF SUCH INDEPENDENT AUDIT. THE COMMISSION'S  
3 INTERNAL ACCOUNTS SHALL NOT BE CONFIDENTIAL AND SUCH MATERIALS MAY BE  
4 SHARED WITH THE COMMISSIONER OF ANY COMPACTING STATE UPON REQUEST,  
5 PROVIDED, HOWEVER, THAT ANY WORK PAPERS RELATED TO ANY INTERNAL OR INDE-  
6 PENDENT AUDIT AND ANY INFORMATION REGARDING THE PRIVACY OF INDIVIDUALS  
7 AND INSURERS' PROPRIETARY INFORMATION, INCLUDING TRADE SECRETS, SHALL  
8 REMAIN CONFIDENTIAL.

9 (G) NO COMPACTING STATE SHALL HAVE ANY CLAIM TO OR OWNERSHIP OF ANY  
10 PROPERTY HELD BY OR VESTED IN THE COMMISSION OR TO ANY COMMISSION FUNDS  
11 HELD PURSUANT TO THE PROVISIONS OF THIS COMPACT.

12 S 8214. COMPACTING STATES, EFFECTIVE DATE AND AMENDMENT. (A) ANY STATE  
13 IS ELIGIBLE TO BECOME A COMPACTING STATE.

14 (B) THE COMPACT SHALL BECOME EFFECTIVE AND BINDING UPON LEGISLATIVE  
15 ENACTMENT OF THE COMPACT INTO LAW BY TWO COMPACTING STATES; PROVIDED  
16 HOWEVER, THAT THE COMMISSION SHALL BECOME EFFECTIVE FOR PURPOSES OF  
17 ADOPTING UNIFORM STANDARDS FOR REVIEWING, AND GIVING APPROVAL OR DISAP-  
18 PROVAL OF, PRODUCTS FILED WITH THE COMMISSION THAT SATISFY APPLICABLE  
19 UNIFORM STANDARDS ONLY AFTER TWENTY-SIX STATES ARE COMPACTING STATES OR,  
20 ALTERNATIVELY, BY STATES REPRESENTING GREATER THAN FORTY PERCENT OF THE  
21 PREMIUM VOLUME FOR LIFE INSURANCE, ANNUITY, DISABILITY INCOME AND LONG-  
22 TERM CARE INSURANCE PRODUCTS, BASED ON RECORDS OF THE NAIC FOR THE PRIOR  
23 YEAR. THEREAFTER, IT SHALL BECOME EFFECTIVE AND BINDING AS TO ANY OTHER  
24 COMPACTING STATE UPON ENACTMENT OF THE COMPACT INTO LAW BY THAT STATE.

25 (C) AMENDMENTS TO THE COMPACT MAY BE PROPOSED BY THE COMMISSION FOR  
26 ENACTMENT BY THE COMPACTING STATES. NO AMENDMENT SHALL BECOME EFFECTIVE  
27 AND BINDING UPON THE COMMISSION AND THE COMPACTING STATES UNLESS AND  
28 UNTIL ALL COMPACTING STATES ENACT THE AMENDMENT INTO LAW.

29 S 8215. WITHDRAWAL, DEFAULT AND TERMINATION. (A)(1) ONCE EFFECTIVE,  
30 THE COMPACT SHALL CONTINUE IN FORCE AND REMAIN BINDING UPON EACH AND  
31 EVERY COMPACTING STATE; PROVIDED THAT A COMPACTING STATE MAY WITHDRAW  
32 FROM THE COMPACT ("WITHDRAWING STATE") BY ENACTING A STATUTE SPECIF-  
33 ICALLY REPEALING THE STATUTE WHICH ENACTED THE COMPACT INTO LAW.

34 (2) THE EFFECTIVE DATE OF WITHDRAWAL IS THE EFFECTIVE DATE OF THE  
35 REPEALING STATUTE. HOWEVER, THE WITHDRAWAL SHALL NOT APPLY TO ANY PROD-  
36 UCT FILINGS APPROVED OR SELF-CERTIFIED, OR ANY ADVERTISEMENT OF SUCH  
37 PRODUCTS, ON THE DATE THE REPEALING STATUTE BECOMES EFFECTIVE, EXCEPT BY  
38 MUTUAL AGREEMENT OF THE COMMISSION AND THE WITHDRAWING STATE UNLESS THE  
39 APPROVAL IS RESCINDED BY THE WITHDRAWING STATE AS PROVIDED IN PARAGRAPH  
40 FIVE OF THIS SUBSECTION.

41 (3) THE COMMISSIONER OF THE WITHDRAWING STATE SHALL IMMEDIATELY NOTIFY  
42 THE MANAGEMENT COMMITTEE IN WRITING UPON THE INTRODUCTION OF LEGISLATION  
43 REPEALING THIS COMPACT IN THE WITHDRAWING STATE.

44 (4) THE COMMISSION SHALL NOTIFY THE OTHER COMPACTING STATES OF THE  
45 INTRODUCTION OF SUCH LEGISLATION WITHIN TEN DAYS AFTER ITS RECEIPT OF  
46 NOTICE THEREOF.

47 (5) THE WITHDRAWING STATE IS RESPONSIBLE FOR ALL OBLIGATIONS, DUTIES  
48 AND LIABILITIES INCURRED THROUGH THE EFFECTIVE DATE OF WITHDRAWAL,  
49 INCLUDING ANY OBLIGATIONS, THE PERFORMANCE OF WHICH EXTEND BEYOND THE  
50 EFFECTIVE DATE OF WITHDRAWAL, EXCEPT TO THE EXTENT THOSE OBLIGATIONS MAY  
51 HAVE BEEN RELEASED OR RELINQUISHED BY MUTUAL AGREEMENT OF THE COMMISSION  
52 AND THE WITHDRAWING STATE. THE COMMISSION'S APPROVAL OF PRODUCTS AND  
53 ADVERTISEMENT PRIOR TO THE EFFECTIVE DATE OF WITHDRAWAL SHALL CONTINUE  
54 TO BE EFFECTIVE AND BE GIVEN FULL FORCE AND EFFECT IN THE WITHDRAWING  
55 STATE, UNLESS FORMALLY RESCINDED BY THE WITHDRAWING STATE IN THE SAME  
56 MANNER AS PROVIDED BY THE LAWS OF THE WITHDRAWING STATE FOR THE PROSPEC-

1 TIVE DISAPPROVAL OF PRODUCTS OR ADVERTISEMENT PREVIOUSLY APPROVED UNDER  
2 STATE LAW.

3 (6) REINSTATEMENT FOLLOWING WITHDRAWAL OF ANY COMPACTING STATE SHALL  
4 OCCUR UPON THE EFFECTIVE DATE OF THE WITHDRAWING STATE'S LEGISLATION  
5 REENACTING THE COMPACT.

6 (B) (1) IF THE COMMISSION DETERMINES THAT ANY COMPACTING STATE HAS AT  
7 ANY TIME DEFAULTED ("DEFAULTING STATE") IN THE PERFORMANCE OF ANY OF ITS  
8 OBLIGATIONS OR RESPONSIBILITIES UNDER THIS COMPACT, THE BY-LAWS OR DULY  
9 PROMULGATED RULES OR OPERATING PROCEDURES, THEN, AFTER NOTICE AND HEAR-  
10 ING AS SET FORTH IN THE BY-LAWS, ALL RIGHTS, PRIVILEGES AND BENEFITS  
11 CONFERRED BY THE COMPACT ON THE DEFAULTING STATE SHALL BE SUSPENDED FROM  
12 THE EFFECTIVE DATE OF DEFAULT AS FIXED BY THE COMMISSION. THE GROUNDS  
13 FOR DEFAULT INCLUDE, BUT ARE NOT LIMITED TO, FAILURE OF A COMPACTING  
14 STATE TO PERFORM ITS OBLIGATIONS OR RESPONSIBILITIES, AND ANY OTHER  
15 GROUNDS DESIGNATED IN COMMISSION RULES. THE COMMISSION SHALL IMMEDIATELY  
16 NOTIFY THE DEFAULTING STATE IN WRITING OF THE DEFAULTING STATE'S SUSPEN-  
17 SION PENDING A CURE OF THE DEFAULT. THE COMMISSION SHALL STIPULATE THE  
18 CONDITIONS AND THE TIME PERIOD WITHIN WHICH THE DEFAULTING STATE MUST  
19 CURE ITS DEFAULT. IF THE DEFAULTING STATE FAILS TO CURE THE DEFAULT  
20 WITHIN THE TIME PERIOD SPECIFIED BY THE COMMISSION, THE DEFAULTING STATE  
21 SHALL BE TERMINATED FROM THE COMPACT AND ALL RIGHTS, PRIVILEGES AND  
22 BENEFITS CONFERRED BY THE COMPACT SHALL BE TERMINATED FROM THE EFFECTIVE  
23 DATE OF TERMINATION.

24 (2) PRODUCT APPROVALS BY THE COMMISSION OR PRODUCT SELF-CERTIFICA-  
25 TIONS, OR ANY ADVERTISEMENT IN CONNECTION WITH SUCH PRODUCT, THAT ARE IN  
26 FORCE ON THE EFFECTIVE DATE OF TERMINATION SHALL REMAIN IN FORCE IN THE  
27 DEFAULTING STATE IN THE SAME MANNER AS IF THE DEFAULTING STATE HAD WITH-  
28 DRAWN VOLUNTARILY UNDER THIS SECTION.

29 (3) REINSTATEMENT FOLLOWING TERMINATION OF ANY COMPACTING STATE  
30 REQUIRES A REENACTMENT OF THE COMPACT BY THAT STATE.

31 (C)(1) THE COMPACT DISSOLVES EFFECTIVE UPON THE DATE OF THE WITHDRAWAL  
32 OR DEFAULT OF THE COMPACTING STATE WHICH REDUCES MEMBERSHIP IN THE  
33 COMPACT TO ONE COMPACTING STATE.

34 (2) UPON THE DISSOLUTION OF THE COMPACT, THE COMPACT BECOMES NULL AND  
35 VOID AND SHALL BE OF NO FURTHER FORCE OR EFFECT, AND THE BUSINESS AND  
36 AFFAIRS OF THE COMMISSION SHALL BE WOUND UP AND ANY SURPLUS FUNDS SHALL  
37 BE DISTRIBUTED IN ACCORDANCE WITH THE BY-LAWS.

38 S 8216. SEVERABILITY AND CONSTRUCTION. (A) THE PROVISIONS OF THE  
39 COMPACT SHALL BE SEVERABLE; AND IF ANY PHRASE, CLAUSE, SENTENCE OR  
40 PROVISION IS DEEMED UNENFORCEABLE, THE REMAINING PROVISIONS OF THE  
41 COMPACT SHALL BE ENFORCEABLE.

42 (B) THE PROVISIONS OF THE COMPACT SHALL BE LIBERALLY CONSTRUED TO  
43 EFFECTUATE ITS PURPOSES.

44 S 8217. BINDING EFFECT OF COMPACT AND OTHER LAWS. (A) NOTHING IN THIS  
45 SECTION PREVENTS THE ENFORCEMENT OF ANY OTHER LAW OF A COMPACTING STATE,  
46 EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION.

47 (B) FOR ANY PRODUCT APPROVED OR CERTIFIED TO THE COMMISSION, THE  
48 RULES, UNIFORM STANDARDS AND ANY OTHER REQUIREMENTS OF THE COMMISSION  
49 SHALL CONSTITUTE THE EXCLUSIVE PROVISIONS APPLICABLE TO THE CONTENT,  
50 APPROVAL AND CERTIFICATION OF SUCH PRODUCTS. FOR ADVERTISEMENT THAT IS  
51 SUBJECT TO THE COMMISSION'S AUTHORITY, ANY RULE, UNIFORM STANDARD OR  
52 OTHER REQUIREMENT OF THE COMMISSION WHICH GOVERNS THE CONTENT OF THE  
53 ADVERTISEMENT SHALL CONSTITUTE THE EXCLUSIVE PROVISION THAT A COMMIS-  
54 SIONER MAY APPLY TO THE CONTENT OF THE ADVERTISEMENT. NOTWITHSTANDING  
55 THE FOREGOING, NO ACTION TAKEN BY THE COMMISSION SHALL ABROGATE OR  
56 RESTRICT:

1 (1) THE ACCESS OF ANY PERSON TO STATE COURTS;

2 (2) REMEDIES AVAILABLE UNDER STATE LAW RELATED TO BREACH OF CONTRACT,  
3 TORT OR OTHER LAWS NOT SPECIFICALLY DIRECTED TO THE CONTENT OF THE PROD-  
4 UCT;

5 (3) STATE LAW RELATING TO THE CONSTRUCTION OF INSURANCE CONTRACTS; OR

6 (4) THE AUTHORITY OF THE ATTORNEY GENERAL OF THE STATE INCLUDING, BUT  
7 NOT LIMITED TO, MAINTAINING ANY ACTIONS OR PROCEEDINGS AS AUTHORIZED BY  
8 LAW.

9 (C) ALL INSURANCE PRODUCTS FILED WITH INDIVIDUAL STATES SHALL BE  
10 SUBJECT TO THE LAWS OF THOSE STATES.

11 (D) ALL LAWFUL ACTIONS OF THE COMMISSION, INCLUDING ALL RULES AND  
12 OPERATING PROCEDURES PROMULGATED BY THE COMMISSION, ARE BINDING UPON THE  
13 COMPACTING STATES.

14 (E) ALL AGREEMENTS BETWEEN THE COMMISSION AND THE COMPACTING STATES  
15 ARE BINDING IN ACCORDANCE WITH THEIR TERMS.

16 (F) UPON THE REQUEST OF A PARTY TO A CONFLICT OVER THE MEANING OR  
17 INTERPRETATION OF COMMISSION ACTIONS, AND UPON A MAJORITY VOTE OF THE  
18 COMPACTING STATES, THE COMMISSION MAY ISSUE ADVISORY OPINIONS REGARDING  
19 THE DISPUTED MEANING OR INTERPRETATION.

20 (G) IN THE EVENT ANY PROVISION OF THIS ARTICLE EXCEEDS THE CONSTITU-  
21 TIONAL LIMITS IMPOSED ON THE LEGISLATURE OF ANY COMPACTING STATE, THE  
22 OBLIGATIONS, DUTIES, POWERS OR JURISDICTION SOUGHT TO BE CONFERRED BY  
23 THAT PROVISION UPON THE COMMISSION SHALL BE INEFFECTIVE AS TO SUCH  
24 COMPACTING STATE, AND SUCH OBLIGATIONS, DUTIES, POWERS OR JURISDICTION  
25 SHALL REMAIN IN THE COMPACTING STATE AND SHALL BE EXERCISED BY THE AGEN-  
26 CY THEREOF TO WHICH SUCH OBLIGATIONS, DUTIES, POWERS OR JURISDICTION ARE  
27 DELEGATED BY LAW IN EFFECT AT THE TIME THE COMPACT BECOMES EFFECTIVE.

28 S 8218. EXEMPT PRODUCTS. IN ACCORDANCE WITH THE PROVISIONS OF SECTION  
29 EIGHTY-TWO HUNDRED FOUR OF THE INTERSTATE INSURANCE PRODUCT REGULATION  
30 COMPACT, THE STATE OF NEW YORK OPTS OUT OF ALL EXISTING AND PROSPECTIVE  
31 UNIFORM STANDARDS INVOLVING LONG-TERM CARE INSURANCE PRODUCTS AND ALL  
32 EXISTING UNIFORM STANDARDS, INCLUDING ANY AMENDMENTS THERETO, INVOLVING  
33 ANNUITY PRODUCTS OR DISABILITY INCOME INSURANCE PRODUCTS IN ORDER TO  
34 PRESERVE THE STATE'S STATUTORY REQUIREMENTS GOVERNING THESE INSURANCE  
35 PRODUCTS. THE DEPARTMENT OF FINANCIAL SERVICES IS AUTHORIZED AND SHALL  
36 BY AUTHORITY HEREIN PROMULGATE REGULATIONS TO OPT OUT OF FUTURE UNIFORM  
37 STANDARDS INVOLVING ANNUITY PRODUCTS OR DISABILITY INCOME INSURANCE  
38 PRODUCTS.

39 S 3. This act shall take effect on the one hundred eightieth day after  
40 it shall have become a law.