



States, Strength & Speed Aligned

**JOINT MEETING OF THE MANAGEMENT COMMITTEE AND THE
INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION**

February 25, 2013

1:30 pm ET / 12:30 pm CT / 11:30 am MT / 10:30 am PT

1. Roll Call
2. [Public Hearing on the Uniform Standards Issued on December 5, 2012:](#)
 - a. Uniform Standards for Group Term Life Insurance Enrollment Forms and Statement of Insurability Forms
 - b. Uniform Standards for Group Term Life Insurance Statement of Insurability Change Form

(Written comments for the uniform standards were due on February 3rd; refer to the [Docket](#) for more information).
3. [Report of the Finance Committee and Consideration by the Management Committee to Approve the Report of the Finance Committee](#)
4. [Report of the Rulemaking Committee and Consideration by the Management Committee to Adopt the Report of the Rulemaking Committee](#)
5. [Report and Recommendation of the Product Standards Committee and Consideration by the Management Committee to Approve the Report and Recommendation of the Product Standards Committee](#)
6. [Management Committee Consideration to Approve the Uniform Standards Issued on December 5, 2012:](#)
 - a. Uniform Standards for Group Term Life Insurance Enrollment Forms and Statement of Insurability Forms
 - b. Uniform Standards for Group Term Life Insurance Statement of Insurability Change Form
7. [Commission Consideration to Adopt the Uniform Standards Published on December 5, 2012:](#)
 - a. Uniform Standards for Group Term Life Insurance Enrollment Forms and Statement of Insurability Forms
 - b. Uniform Standards for Group Term Life Insurance Statement of Insurability Change Form
8. [Management Committee Consideration of Approval of Meeting Minutes of the December 17, 2012 Joint Meeting of the Management Committee and Commission](#)

9. [Commission Consideration to Approve the December 17, 2012 Joint Management Committee and Commission Meeting Minutes as Approved by the Management Committee](#)
10. [Operational Update](#)
11. Any Other Matters
12. Adjourn

**Minutes of the Joint Meeting of the Management Committee and the Interstate Insurance Product
Regulation Commission
Monday, February 25th 2013**

Members of the Commission and Department Staff in Attendance:

Commissioner Roger Sevigny, Chair, New Hampshire
Commissioner Michael Consedine, Vice Chair, Pennsylvania
Joseph G. Murphy, Treasurer, Massachusetts
Robert Turner, as a designated representative for Commissioner Jim Ridling, Alabama
Steve Manders, as a designated representative for Commissioner Ralph Hudgens, Georgia
Colin Hayashida, as a designated representative for Commissioner Ito, Hawaii
Cindy Colonius, as a designated representative for Director Andrew Boron, Illinois
Mihir Nag, as a designated representative for Commissioner Stephen Robertson, Indiana
Tom O'Meara, as a designated representative for Commissioner Nick Gerhart, Iowa
Commissioner Sandy Praeger, Kansas
Debbie Stamper, as a designated representative for Commissioner Sharon Clark, Kentucky
Barry Ward, as a designated representative for Commissioner James Donelon, Louisiana
Tom Record, as a designated representative for Superintendent Eric Cioppa, Maine
Commissioner Therese Goldsmith, Maryland
Ed Charbonnier, Massachusetts
Joe Garcia, as a designated representative for Commissioner R. Kevin Clinton, Michigan
Roger Stefani, as a designated representative for Commissioner Mike Rothman, Minnesota
Jay Eads, as a designated representative for Commissioner Mike Chaney, Mississippi
David Hippen, as a designated representative for Director Huff, Missouri
Mary Kemper, Missouri
Director Bruce Ramge, Nebraska
John Rink, Nebraska
Commissioner Scott Kipper, Nevada
Neil Vance, New Jersey
Pete Weber, as a designated representative for Commissioner Kenneth Kobylowski, New Jersey
Ted Hamby, as a designated representative for Commissioner Wayne Goodwin, North Carolina
Pete Weber, as a designated representative for Lieutenant Governor Mary Taylor, Ohio
Denise Engle, as a designated representative for Commissioner Doak, Oklahoma
Verneta Pavel, Oklahoma
Tom Kilcoyne, Pennsylvania
Ruben Gely, as a designated representative for Commissioner Angela Weyne, Puerto Rico
Beth Dwyer, as a designated representative for Superintendent Torti, Rhode Island
John Carter, Texas
Sara Waitt, as a designated representative for Commissioner Eleanor Kitzman, Texas
Betsy Jerome, Utah
Commissioner Todd Kiser, Utah
Don Beatty, as a designated representative for Commissioner Jacqueline Cunningham, Virginia
Beth Berendt, as a designated representative for Commissioner Mike Kreidler, Washington
Sue Ezalarab, as a designated representative for Commissioner Ted Nickel, Wisconsin

Members of the Industry Advisory Committee in attendance:

Miriam Krol, ACLI
Joe Muratore, New York Life Insurance Company
Marie Roche, John Hancock Life Insurance Company (U.S.A.)

Members of the Consumer Advisory Committee in attendance:

Sonja Larkin-Thorne, NAIC Consumer Liaison representative

Members of the IIPRC Legislative Committee in attendance:

Ed Stephenson, NCOIL

Representative Greg Wren, Alabama

IIPRC staff in attendance:

Karen Schutter, Executive Director

Sara Dubsy, Operations Manager

MacKenzie Heidelberg, Administrative Coordinator

Jeanne Daharsh, Actuarial Consultant

Alice Fontaine, Actuarial Consultant

Karen Givens, Product Review Consultant

David Morris, Product Review Consultant

Charlie Rapacciuolo, Product Review Coordinator

Interest Parties in attendance:

Beth Lindsey, ING

Laurie Morgan, State Farm Life Insurance Company

Thyra Nast, The Insured Retirement Institute

Ann Jo Waiters, ACLI

NAIC staff in attendance:

Kara Binderup, Legal Counsel II

Commissioner Sevigny called to order the Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission. Ms. Schutter took the roll call of the Management Committee, Commission, members of the Legislative Committee, members of the Industry Advisory Committee, members of the Consumer Advisory Committee, and other Interested Parties.

Commissioner Sevigny began with the first item on the agenda, the public hearing on two Group Term Life Insurance Standards - the Uniform Standards for Group Term Life Insurance Enrollment Forms and Statement of Insurability Forms and the Uniform Standards for Group Term Life Insurance Statement of Insurability Change Form. Commissioner Sevigny noted that these two uniform standards are part of the Group Term Life Insurance for Employer Groups product line and have been on the Docket since December 5th and no written comments have been submitted. Before oral comments were heard, Ms. Ezalarab provided a brief overview of the two uniform standards. Commissioner Sevigny opened the public hearing to receive comments on the uniform standards; there were none. Hearing no further comments, the public hearing portion of the meeting concluded.

Commissioner Sevigny advanced to the Report of the Finance Committee which was provided by Commissioner Murphy. Commissioner Murphy reported that the Finance Committee has not yet met in 2013. Commissioner Murphy noted that the IIPRC met and exceeded its revenue budget while actual expenses continued to come in under budget. At year end the IIPRC's revenue came in at \$1,115,511 and the expenses came in almost \$100,000 under budget due to careful fiscal management by the IIPRC Office. Additionally, the IIPRC had a record number of filing submissions with a total of 570 new filings in 2012 compared to 464 filings the year before. The IIPRC has also seen an uptick in number of companies registering to file in 2013, specifically, a 20% increase in registration activity compared to this time last year. Commissioner Murphy reported that the IIPRC Office is currently working with the NAIC Finance Division and the Compact's audit firm

to complete the independent audit of the IIPRC's 2012 financial activities. Commissioner Murphy noted that the IIPRC's audited financial statement will appear in its 2012 Annual Report which will be disseminated at the in-person meeting in April. There were no questions or comments for Commissioner Murphy.

Commissioner Sevigny proceeded to the next agenda item and asked Mr. Beatty to provide the Report of the Rulemaking Committee. Mr. Beatty explained that the Rulemaking Committee met in January to map out its workplan for 2013 which included three key deliverables. The first one is to wrap up the five-year review process for those rules and operating procedures that were developed in 2007. No written comments were received during the notice and comment period last July. The next step is to prepare a report and recommendation to the Management Committee on this process with a goal of doing so by the in-person meeting in April. Mr. Beatty reported that for the other two tasks, subgroups have already been formed to scope out the issues and develop some recommended guidance for further consideration by the full Committee. The first issue is to take closer look at how mix and match was being utilized and whether clarifications or changes should be made to Section 111 of the Product Filing Rule. Mr. Beatty noted that the Group will put together a list of mix and match considerations and some suggested steps or checklists for members and companies to use when considering mix and match, which will then be presented to the Rulemaking Committee. The second issue is the study of the role of the Commission in the ongoing discussion of the market regulation of Compact-approved products. The goal is to work through examples or questions that have been raised by member states as well as filers and the Industry Advisory Committee to see if guiding principles or other information or processes can be developed to address these questions through a uniform approach. There were no questions or comments for Mr. Beatty.

Commissioner Sevigny then asked for a motion from a member of the Management Committee to approve the reports of the Finance and Rulemaking Committees. Commissioner Consedine made a motion and Director Rame seconded the motion. A voice vote was taken and the motion passed.

Commissioner Sevigny moved to the next agenda item, the Report and Recommendation of the Product Standards Committee. Ms. Ezalarab announced the Product Standards Committee is recommending three new uniform standards to continue to fill out the suite of uniform standards for group life insurance. Ms. Ezalarab explained that like any initial recommendation from the Product Standards Committee, accepting this recommendation would start the Commission's formal rulemaking process and provide at least 60 days for public comment. The uniform standards being recommended are Group Term Life Insurance Uniform Standards for Accidental Death Benefits, Group Term Life Insurance Uniform Standards for Accidental Death and Dismemberment Benefits, and Group Term Life Insurance Uniform Standards for Waiver of Premium While the Employee is Totally Disabled. Ms. Ezalarab highlighted that the uniform standards are for benefit features that may be added to group term life insurance certificates. Following the report, Commissioner Sevigny asked for a motion from a member of the Management Committee to recommend the proposed uniform standards to be published on the Docket for the public comment period. Commissioner Goldsmith made a motion and Ms. Ezalarab seconded the motion. As there were no further comments, Ms. Schutter took a roll call vote of the Management Committee and the motion passed. Commissioner Sevigny noted that the recommended uniform standards will be posted on the Docket for the public comment period of 60 days and a public hearing will be held on these items at the in-person meeting in April.

The next agenda item was the Management Committee consideration for approval of the two uniform standards from the public hearing. The formal rulemaking process for these uniform standards commenced at the end of November. No substantive comments were received before today on these two uniform standards and as such, they are ready for action. Commissioner Sevigny asked for a motion from a member of the Management Committee to approve the Uniform Standard for Group Term Life Insurance Enrollment Forms and Statement of Insurability Forms and the Uniform Standard for Group Term Life Insurance Statement of Insurability Change Form. Mr. Hippen made a motion and Commissioner Murphy seconded the motion. As

there were no additional comments, Ms. Schutter took a roll call vote of the Management Committee and the motion carried.

Commissioner Sevigny then proceeded to the full Commission's consideration of the same proposed uniform standards. Mr. Hamby made a motion while Commissioner Praeger seconded the motion. As there were no additional comments, Ms. Schutter took a roll call vote of the Commission and the motion carried. Commissioner Sevigny noted that these Uniform Standards, as adopted, would be available for filing in early June 2013 after promulgation for a period of 90 days.

Commissioner Sevigny moved to the approval of the Meeting Minutes of the December 17, 2012 joint meeting of the Management Committee and Commission. Commissioner Sevigny asked for a motion from a member of the Management Committee to approve the minutes. Commissioner Goldsmith made a motion, while Ms. Ezalarab seconded the motion. After a voice vote, the motion carried.

Commissioner Sevigny continued to the Commission adoption of the same Meeting Minutes as approved by the Management Committee. Mr. Beatty made a motion to approve the minutes and Mr. Record seconded the motion. A voice vote was then taken and the motion passed.

The next agenda item was the IIPRC operational update, which was provided by Ms. Schutter. Ms. Schutter reported that the IIPRC is planning to cancel its standing call of the Management Committee on Monday, March 25th as there will be a joint Management Committee and Commission meeting in early April in Houston. The meeting will be held on Monday, April 8th at 8 am and please expect the meeting to last for 90 minutes. Official notice of this meeting will be sent out in early March. The two group Uniform Standards that were adopted by the membership in December will become effective for filing on March 10th. With these new Uniform Standards companies can file their group term life policy and certificate as well as their policyholder application and application change form through the Compact.

Ms. Schutter then gave an update on legislative activity in non-compacting states. On February 1, the Montana Senate passed the Compact legislation and it is now being considered by the House. Key legislative deadlines have passed in Connecticut for the pending Compact bill and procedurally it is off the table for this session. The legislation has also been introduced in Florida and New York and the Compact will closely monitor those bills as their sessions get in full swing in the coming weeks. Finally, the IIPRC Legislative Committee has a new member; Indiana Senator Travis Holdman has been appointed by NCOIL to serve on the Legislative Committee. There were no comments or questions for Ms. Schutter.

As there were no further matters, Commissioner Praeger made a motion to adjourn and the meeting was adjourned.