

**Minutes of the Meeting of the Management Committee of  
The Interstate Insurance Product Regulation Commission (IIPRC)**

**Friday, March 9, 2007  
Hilton New York  
New York City, NY**

Commission Members in attendance:

Commissioner Jane Cline, Acting Chair, West Virginia

Commissioner Glenn Wilson, Treasurer, Minnesota

Margaret Whitten as designated representative for Commissioner John Oxendine,  
Georgia

Commissioner Jim Atterholt, Indiana

Joe Murphy as a designated representative for Commissioner Nonnie Burnes,  
Massachusetts

Commissioner Linda Watters, Michigan

Director Mary Jo Hudson, Ohio

Acting Commissioner Randy Rohrbaugh, Pennsylvania

Sara Waitt as a designated representative for Commissioner Mike Geeslin, Texas

Commissioner Paulette Thabault, Vermont

Don Beatty as a designated representative for Commissioner Al Gross, Virginia

Commissioner Mike Kreidler, Washington

Beth Berendt as a designated representative for Commissioner Mike Kreidler,  
Washington

IIPRC Office Present:

Frances Arricale, Executive Director

Sara Bamford, Administrative Coordinator

NAIC Staff Present:

Karen Schutter, Senior Manager, Business Initiatives

Kay Noonan, General Counsel

Becky McElduff, Staff Attorney

Ryan Workman, Staff Attorney

Julie Fritz, Director - SERFF

Commissioner Cline called the meeting of the IIPRC Management Committee to order.

Commissioner Cline called upon the Legislative Committee to make a report. State Representative Brian Patrick Kennedy from Rhode Island was the only Legislative Committee member present. Representative Kennedy reported that State Senator Ralph Hudgens may resign his State Senate seat so that he could run for the vacant House seat. Mr. Kennedy also stated that he was impressed with the amount of work that the Compact was able to achieve in a short period of time.

Commissioner Cline called upon Fran Arricale, Executive Director, to make her report to the Commission. Ms. Arricale reported on the following items: Legislative Outlook of the Commission, Administrative Matters and Operational Issues of the Commission. During the Legislative Outlook, it was brought to the Members' attention that there are currently 11 states which have introduced the Compact Legislation. During the report of Administrative Matters, Ms. Arricale introduced the new Administrative Coordinator for the Compact, Sara Bamford.

After the report of the Executive Director, Commissioner Cline turned to the establishment of the permanent Commission Member Committees – the Audit Committee, Member Committees, Industry Advisory Committee and the Interim Consumer Advisory Committee. According to the Compact Bylaws, the Audit Committee is formed by the Management Committee and is not to have any Members from the Management Committee. The Audit Committee also has to have their membership approved separately from the rest of the Member Committees. Commissioner Cline asked for a motion to have the Committee approved. There was a motion made and seconded to have the membership approved. The vote was a unanimous voice vote. After the voice vote was carried, Commissioner Cline asked for a motion to approve of the Committee structure proposed by the Management Committee. There was a motion made and a seconded. The vote was a unanimous voice vote. Both votes established the permanent committees of the Commission.

Commissioner Cline had Ms. Arricale introduce the nominees of the Industry Advisory Committee as well as explain the structure of the Committee. A motion was made and seconded to vote on the installation of the Industry Advisory Committee members. It was a unanimous voice vote.

Commissioner Cline moved to the next Agenda item, the establishment of the permanent Consumer Advisory Committee. Ms. Cline commented that Ms. Arricale circulated a memo to the members of the Management Committee informing the Members that not enough nominations had been received by the initial deadline. It was then proposed that the Consumer Advisory Committee should remain an Interim committee until all seats are filled according to the Bylaws. Ms. Arricale recommended to the Committee to continue the acceptance of applications until the 16<sup>th</sup> of April. Commissioner Cline agreed with the recommendation and asked if there were any questions or further comments before the vote was taken. Director Mary Jo Hudson from Ohio inquired as to the process that had been established for gathering applications. Ms. Arricale answered that the announcement and process were posted in detail on the IIPRC website. Sara Waitt from Texas asked about the status of the interest of the previous Interim Consumer Advisory Committee members. Ms. Arricale responded that none had shown an interest. At this time, Commissioner Cline called upon Brendan Bridgeland to make comments. Mr. Bridgeland mentioned that he thought it would be best if there was more outreach done to the previous interim committee members. Mr. Bridgeland based his statement on his belief that the original members were not properly noticed. Mr. Bridgeland also mentioned that being involved in the Compact was a burden on their available resources. Ms. Waitt asked if he had an interest in being involved. Mr. Bridgeland replied that he

was still contemplating the commitment. There were no further comments. Commissioner Wilson from Minnesota made the motion and Commissioner Holland from Oklahoma seconded the motion. There was a unanimous voice vote to hold the deadline open until the 16<sup>th</sup> of April.

Commissioner Cline then called upon Ms. Arricale to give a few updates on administrative matters of the Commission. Ms. Arricale advised the members that an outside counsel, the firm of Kelley Drye, had been retained to help with the foundational issues, namely structural and ethics issues.

Moving to any outstanding issues, Commissioner Cline asked if there was any outstanding business from the February 26<sup>th</sup> Management Committee meeting. There were no further comments.

Commissioner Cline asked Ms. Arricale to find time for a discussion on the Public Access Rule with the Rulemaking Committee. The request for this meeting is the result of numerous questions about when a discussion group would be convened to discuss the public access rule as initially discussed during the meeting in San Antonio last December.

Commissioner Cline called upon Commissioner Sevigny to make a report of the Product Standards Committee. Commissioner Sevigny recommended that the Management Committee initiate the rulemaking process by issuing all versions of single premium and joint last-to-die survivorship Individual Whole Life Policy Standards for a 60-day public comment period. Commissioner Jim Long of North Carolina made a motion and Ms. Waitt of Texas seconded the motion to have this recommendation adopted. It was adopted by a unanimous voice vote.

Commissioner Cline called upon Commissioner Thabault to make a recommendation report from the Rulemaking Committee. Commissioner Thabault recommended to the Management Committee the operating procedures: the Issuance of Advisory and Interpretive Opinions, and Submission of Requests by the Consumer Advisory Committee for Financial Assistance and Consideration and Approval of Requests by the Commission. Commissioner Thabault proposed that the operating procedures be issued for a 60-day notice and comment period pursuant to the Commission's rulemaking procedure. Don Beatty from Virginia made a motion and Pennsylvania seconded the motion to adopt these recommendations. The recommendation was adopted by a unanimous voice vote.

Commissioner Cline called upon Ms. Arricale to discuss with the Management Committee the idea of a meeting in April or May of the Product Standards Committee. Ms. Arricale mentioned that there were some issues scheduling, causing a delay in the meeting of the Product Standards Committee. The idea behind the meeting was to get the Committee members together in one room and get as many standards worked on as possible. It was suggested by Commissioner Watters that the committee meet electronically and have a video-conference (VTC) meeting. Ms. Waitt suggested that the afternoon of the next full commission meeting may be used for this meeting.

Commissioner Holland seconded the need to have the meeting face-to-face and agreed that the time after the next full commission would be best. Director Atterholt suggested that the meeting should take place via VTC and then follow-up in San Francisco in the form of a motion and Washington seconded that motion. The motion was carried by a unanimous voice vote.

Commissioner Cline asked Ms. Arricale to provide an update on the Annual Report. Ms. Arricale reported that the Annual Report of the Commission was in process and that it should be released within the next month and will be as of December 31, 2006. Representative Kennedy inquired how the report will be sent out and what resources were going to be utilized to send out the report. Ms. Arricale informed him that the report would be sent out electronically to the vast majority of the members with the exception of the Legislative Committee, Compacting State Governors and Insurance Commissioners.

Commissioner Cline then called upon the members of the Management Committee for any further business. None was brought forward. The meeting adjourned after a motion and a second to conclude the meeting. A unanimous voice vote ended the meeting.