

**Minutes of the Meeting of the Management Committee of the
Interstate Insurance Product Regulation Commission (IIPRC)
Monday, July 23, 2007
Teleconference**

Management Committee Members in Attendance:

Commissioner Jane Cline, Chair, West Virginia
Commissioner Linda Watters, Vice Chair, Michigan
Brian Pennington as a designated representative for Commissioner Glenn Wilson, Treasurer,
Minnesota
Margaret Whitten as a designated representative for Commissioner John Oxendine, Georgia
Lorraine Young as a designated representative for Commissioner Nonnie Burnes, Massachusetts
Commissioner Jim Long, North Carolina
Director Mary Jo Hudson, Ohio
Michael Ridgeway as a designated representative for Commissioner Kim Holland, Oklahoma
Brad Harker as a designated representative for 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
Beth Berendt as a designated representative for Commissioner Mike Kreidler, Washington

Commission Members in Attendance:

Shelly Santo, Hawaii
Commissioner Roger Sevigny, New Hampshire

Industry Advisory Committee Members:

Cande Olson, New York Life
Nancy Johnson, UNUM
Dennis Herchel, Mass Mutual
Karen Johnson, MetLife
Michael Gerber, NAIFA

Legislative Committee Members in Attendance:

Senator Dolores Kelly, Maryland

Consumer Advisory Committee Members in Attendance:

Ryan Wilson, AARP
Rod Borderlan, Office of Public Insurance Council in Texas

IIPRC Staff in Attendance:

Frances Arricale, Executive Director
Sara Bamford, Administrative Coordinator

NAIC Staff in Attendance:

Becky McElduff, Staff Attorney
Ryan Workman, Staff Attorney

Regulator Staff in Attendance:

Shawn Hawk, Tennessee
Aelia Khan, Texas

Julie Horner, Colorado
Betsy Jerome, Utah
Paul Otobo, Vermont
Louis Belo, North Carolina
Melinda Shephard, Kentucky
Stewart Johnson, North Carolina
Ted Hamby, North Carolina
John Rink, Nebraska
John Postolowski, Colorado
Marlon Burch, Kansas
Marion Mashburn, Maryland
Beth Dwyer, Rhode Island
John Kissling, Indiana

Other Interested Parties in Attendance:

Josh May, Coventry
Susan Ezalarb, Wisconsin
Gail Karen, New York
Gail Woods, Oregon
Jim Guidry, Wisconsin
Eugene Choate, Bankers Fidelity
Andrew Baron, Liberty Life Assurance Company of Boston
Nancy Yannuzzi, Penn Mutual Life
John McBain

Commissioner Cline started the call of the Management Committee of the Insurance Product Regulation Commission (IIPRC). Commissioner Cline noted that the Commission has approved its first product filing. Commissioner Cline explained that the review of these submissions and final dispositions were made in under 30-days. Commissioner Cline continued that these submissions were reviewed under the uniform standards, with a high level of consumer protection and under the Commission's Product Filing Rule. Commissioner Cline noted that the Commission will not be in the habit of announcing each filing as it is approved, but since there is interest in the first filings, Liberty Life Insurance Company of Boston received approval for an individual flexible premium adjustable life product under a mix and match filing and New York Life Insurance Company received approval for its three individual flexible premium adjustable life products under a mix and match filing as well. Commissioner Cline noted that since the initial filings were announced in June, the Commission has received additional filings which are under review currently. Commissioner Cline stated that the companies which have made initial filings and worked with the Commission through the start-up process of filing have helped improve the Commission operations. Commissioner Cline highlighted that the Commission looks forward to continued filings and the input from filing companies on their experience with the process. The Commission is clearly moving forward in establishing in a fully operational, centralized product filing mechanism. Commissioner Cline thanked the three member states who have particularly contributed to the start up of the Commission's operations by lending us staff. Commissioner Cline noted that the seconded staff from Nebraska, Washington, and Ohio have reviewed these initial filings under the Uniform Standards and Product Filing Rule and have lent their expertise to assisting and setting up a high caliber of product filing operations. Commissioner Cline stated that the Commission greatly appreciates the assistance of these three states in helping the Commission meet its target this year and moving the Commission toward successfully meeting this goal.

Commissioner Cline moved to the first item on the Agenda and asked Commissioner Sevigny to provide a report on the Product Standards Committee.

Commissioner Sevigny reported that the Product Standards Committee has reached a final recommendation on two sets of individual annuity contract standards. Commissioner Sevigny noted that the standards were the Individual Flexible Premium Deferred Variable Annuity Contract standards (with Separate and General Accounts) and Individual Fixed Premium Variable Annuity Contracts (with Separate and General Accounts). At this time, the Product Standards Committee is recommending that the Management Committee initiate the Rulemaking Process by issuing these two proposed uniform standards for a 60-day public comment period. Commissioner Sevigny noted that a transmittal memo was distributed with the recommended drafts to explain the revisions made to the drafts prepared by the NAIC Interstate State Compact National Standards Working Group. This recommendation does include one conforming amendment to the individual life insurance policy standards that have already been adopted. In addition to the open meetings of the NAIC Working Group when the Standards were first drafted, the Product Standards Committee of the Commission held meetings on both June 15 and July 13 to receive public comments on the proposed standards. Commissioner Sevigny concluded the report and is available to respond to questions.

Commissioner Cline asked if there were any members of the Management Committee that have questions or comments for Commissioner Sevigny. Hearing none, Commissioner Cline asked if any members of the Commission had questions; the members of the Legislative Committee; the members of the Consumer Advisory Committee; the members of the Industry Advisory Committee.

Cande Olsen, from the Industry Advisory Committee, stated that the Committee noticed that the Product Standards Committee did not take a very minor comment that was made in terms of language in number 5 on nonforfeiture values for both of the standards. Ms. Olsen highlighted that the Committee has looked at it and we have no problem that the Product Standards Committee did not take the change.

Commissioner Cline asked if there was a motion from a member of the Management Committee to adopt the Product Standards Committee report. North Carolina moved and Virginia seconded. Commissioner Cline asked if there were any further comments. Hearing none, Commissioner Cline asked Frances Arricale, IIPRC Executive Director to take a roll call vote. The Report was adopted by unanimous vote.

Commissioner Cline moved to the next item on the Agenda, the Report of the Rulemaking Committee. Commissioner Cline asked Commissioner Thabault to provide the report of the Rule Making Committee.

Commissioner Thabault started the report of the Rulemaking Committee and noted that the Rulemaking Committee had a conference call on June 21. Commissioner Thabault noted that during the call the committee discussed comments that were received on the proposed operating procedure for Advisory Opinions during the June 1 Public Hearing. Commissioner Thabault reported that after consideration of these changes, the Rulemaking Committee decided that due to the substantive nature, it made recommend to the Management Committee today to terminate the current Rulemaking procedure for the proposed operating procedure for advisory opinions. Commissioner Thabault noted that this will allow the Rulemaking Committee to make revisions and then recommend an operating procedure for Advisory Opinions that will be best suited to the needs and operations of the Commission. Commissioner Thabault reported that also during the

June 21 call the Rulemaking Committee discussed a possible need for amendment to the Public Access Rule. Commissioner Thabault stated that while the Commission is currently operating under the existing Public Access Rule, some members have raised concern over some of its provisions. Commissioner Thabault highlighted that the Rulemaking Committee will be reviewing these concerns and the need for any possible amendments. Commissioner Thabault continued that if this discussion results in a recommended amendment from the Rulemaking Committee, it will be subject to a normal Rulemaking procedure. Commissioner Thabault reported that the Committee then discussed the rules and operating procedures that are outstanding based on the initial list of rules and operating procedures from which this Committee began its work. Commissioner Thabault noted that the rules and operating procedures have been identified and the states have been divided into working groups. The goal is to have the initial drafts completed and circulated among the full committee by the end of August and then ready for recommendation to the Management Committee at the annual meeting at the end of September. Commissioner Thabault reported that the Rulemaking Committee discussed a draft for a proposed rule allowing for Conforming Amendments to uniform standards. A slightly revised draft of the Conforming Amendment Rule was circulated as a subject of the public call that also was held on July 12. Commissioner Thabault continued her Report, during this call, the Rulemaking Committee agreed to adopt the proposal for the adoption of conforming amendments through the uniform standard and to submit this proposal for consideration by the Management Committee to be issued for notice and comment as provided for under the Rulemaking rule. Commissioner Thabault provided a brief summary of the rule -- the proposal establishes a means by which the existing uniform standards that have already been adopted by the Commission can be amended in order to conform with new uniform standards that are being adopted by the Commission. The amendment procedure under the rule maintains the normal review and adoption procedure for uniform standards, yet allows for some of the amendments to existing uniform standards to become effective in an expedited manor. Commissioner Thabault ended her report and asked if there were any questions for the Rulemaking Committee.

Commissioner Cline asked if there were any questions from members of the Management Committee. Hearing none, Commissioner Cline asked the other members of the Commission if they had any questions or comments; the members of the Legislative Committee; the members of the Consumer Advisory Committee; the members of the Industry Advisory Committee; the interested parties.

Commissioner Cline asked if there was a motion to adopt the Report which includes the Recommendation to terminate the rulemaking process on the proposed operating procedure for advisory opinions and the recommendation to issue the proposed rule for the adoption of conforming amendments for a 60-day notice and comment period. Vermont moved to adopt the report and including the motions for terminating the current rule making procedure and also for to publish the rules for conforming amendments. Commissioner Cline asked if there was a second. Oklahoma seconded the motion. Commissioner Cline asked if there were any other comments. Hearing none, Commissioner Cline asked Ms. Arricale to conduct a roll call vote. The motion was approved.

Commissioner Cline moved to the next item on the Agenda, a meeting scheduling update. Commissioner Cline asked Ms. Arricale to provide this update. Ms. Arricale stated that she would like to inform the Management Committee as well as all those on the call that the Commission Annual Meeting will be this September and we have scheduled it as a half-day meeting on the 27th for the Management Committee to meet from 2-5pm and then the next day from 9am-12 noon on September 28th the full Commission will meet. Ms. Arricale noted that the Commission will send out e-mail notice of this and it has been put on the website calendar. Ms.

Arricale highlighted that the Annual Meeting has been split between the two days to accommodate the scheduling at the NAIC meeting and it will be forthcoming to all in a written notice. Ms. Arricale stated that she would like Sara Bamford, in the Commission Office to explain the duplicate meetings scheduled for the Management Committee on the calendar.

Ms. Bamford reported that the September Management Committee meeting is scheduled right now to take place on the 24th of September, which is Monday of the week of our Annual Meeting. Ms. Bamford stated that the Commission Office would like to propose that this meeting not take place on the 24th in lieu of taking place on the 27th. Ms. Bamford noted that at the same time, a Management Committee meeting scheduled November 26th which is the week of the winter meeting in Houston and the Commission Office would like to propose that this meeting take place in Houston on the 30th of November in the morning. Ms. Bamford stated that the reason that we highlight this to you is that our meetings were scheduled on a monthly basis by the Management Committee earlier this year and we would just like to eliminate the duplicative meetings.

Don Beatty, from Virginia, noted that he would like to cancel that September 24 meeting as well. Mr. Beatty asked with regard to the November 30 meeting, what day of the week is that on and secondly, we may have people who are active in the Compact who are not going to the Management Committee who may not be attending the NAIC meeting.

Ms. Arricale noted that November 30 is a Friday as well. Ms. Arricale stated that the Commission is trying to keep to the schedule of the in-person being that Friday morning before the NAIC meeting schedule begins. Ms. Arricale replied that it was understood that some may not be able to attend the meeting. Ms. Arricale asked for a recommendation of how to deal with this issue. Mr. Beatty suggested that the Commission wait and see if we hear from anybody who might be disenfranchised on that November 30th meeting.

Director Hudson in Ohio asked if Commissioner Cline was looking for a motion on cancelling the September 24 and November 26 meetings. Commissioner Cline replied that a motion to that affect would be in order. Director Hudson motioned and Beth Berendt, from Washington, seconded the motion.

Commissioner Cline asked if there were any further discussion.

Director Hudson stated that maybe we should discuss during the October meeting, if anyone can't be there, the Commission needs to link those members in by telephone or make arrangements to do something like that. Ms. Arricale replied that the Commission Office could definitely check as to what our possibilities would be to bring a conference call line in. Commissioner Cline asked if there were any other comments. Hearing none, Commissioner Cline asked Ms. Arricale to take a roll call vote. The motion was approved unanimously.

Commissioner Cline asked if there were any other matters to come before the committee today. Hearing none, Commissioner Cline asked if there was a motion to adjourn the meeting. Director Hudson motioned and Fran Wallace, from Michigan, seconded the motion. The meeting adjourned on a unanimous voice vote.