

**Minutes of the Meeting of the
Interstate Insurance Product Regulation Commission (IIPRC)
Friday, May 30, 2008**

Commission Members in attendance:

Commissioner Jane Cline, Chair, West Virginia
Director Mary Jo Hudson, Vice Chair, Ohio
Commissioner Glenn Wilson, Minnesota, Treasurer via teleconference
Director Linda Hall, Alaska
John Postolowski as a designated representative for Commissioner Marcy Morrison, Colorado
Margaret Witten as a designated representative for Commissioner John Oxendine, Georgia
Shelley Santo, Hawaii
Director William Deal, Idaho
Commissioner Susan Voss, Iowa
Carol Mihalik as a designated representative for Commissioner Jim Atterholt, Indiana
Kentucky
Eric Cioppa as a designated representative for Superintendent Mila Kofman, Maine
Joe Murphy as a designated representative for Commissioner Nonnie Burnes, Massachusetts
Director Anne Frohman, Nebraska
Commissioner Roger Sevigny, New Hampshire
Louis Belo as a designated representative for Commissioner Jim Long, North Carolina
Commissioner Kim Holland, Oklahoma
Commissioner Joel Ario, Pennsylvania
Superintendent Joe Torti, III, Rhode Island
Sara Waitt as a designated representative for Commissioner Mike Geeslin, Texas
Commissioner D. Kent Michie, Utah
Commissioner Paulette Thabault, Vermont
Don Beatty as a designated representative for Commissioner Al Gross, Virginia

Regulator Staff in attendance:

Ted Hamby, North Carolina
Kristen Brown, Ohio
Brad Harker, Pennsylvania
Ana Smith-Daley, Texas
Jan Graber, Texas
Betsy Jerome, Utah via teleconference
Herb Olson, Vermont
Kevin Gaffney, Vermont
Tim Murphy, West Virginia

Legislative Committee members in attendance:

Senator Delores Kelley, Vice Chair, Maryland
Representative Ralph Hudgens, Georgia
Representative Brian Patrick Kennedy, Rhode Island
Representative Larry Taylor, Texas
Susan Nolan, NCOIL
Mike Humphreys, NCOIL

Consumer Advisory Members in attendance:

Rod Bordelon, Office of Public Insurance Council, Texas via teleconference
Brendan Bridgeland, Center for Insurance Research

Ken Liberto, Vermont Association for Mental Health
Ryan Wilson, AARP

Industry Advisory Members in attendance:

Steve Buhr, Aegon
Tom English, New York Life via teleconference
Michael Gerber, NAIFA
Dennis Herchel, Mass Mutual
Nancy Johnson, UNUM
Michael Lovendusky, ACLI
Amanda Mathison, AHIP
Gary Sanders, NAIFA IHIA
Miriam Krol, ACLI
Cande Olsen, Actuarial Resources Corporation

Interested Parties in attendance:

IIPRC Staff:

Frances Arricale, Executive Director
Sara Bamford, Administrative Coordinator

NAIC Staff:

Becky McElduff, Staff Attorney
Kay Noonan, NAIC General Counsel
Karen Schutter, Strategic Initiatives
Brady Kelley, CFO
Jim Woody, Finance Department
Julie Fritz, SERFF
Kara Binderup, Staff Attorney, via teleconference

Commissioner Jane Cline, from West Virginia, called the Meeting of the Interstate Insurance Product Regulation Commission (IIPRC) to order.

Commissioner Cline proceeded with the first item on the Agenda, the Report of the Management Committee. Commissioner Cline provided this Report as the Chair of the Management Committee. Commissioner Cline reported that the Members of the Management Committee discussed with the Legislative Committee the continuation of outreach to encourage more states to join the Compact. Commissioner Cline noted that legislation is pending in seven (7) states: New York, California, New Jersey, Illinois, South Carolina, Louisiana and the District of Columbia. Commissioner Cline highlighted that the Communications Committee reported on the continued outreach by the Member to non-Compacting states and to the industry to encourage filing with the Compact. Commissioner Cline noted that the Finance Committee reported on the 2009 Budget timeline which will include public notice and comment. Commissioner Cline stated that the Technology Committee reported on the ongoing work for the IIPRC Technology Needs Assessment to encompass a review of the Compact's needs on SERFF and office technology for the future. Commissioner Cline reported that the Rulemaking committee recommended, and the Management Committee approved, the initiation of public comment on two (2) Operating Procedures – the Foreign Language Translation Rule and Advisory Opinion Rule – as well as amendments to the Public Access Rule. Commissioner Cline noted that there were several comments made by the Members as well as Interested Parties regarding the proposed Public Access Amendment. Commissioner Cline advised that there will be a Public Hearing before the

Management Committee on the amendment. Commissioner Cline noted that the Product Standards Committee recommended, and the Management Committee approved, ten (10) Uniform Standards to be issued for public comment. Commissioner Cline highlighted that a tremendous amount of work is being done to move forward the standards-setting process in order to meet the goals of the Compact. Commissioner Cline reported that additional Management Committee meeting minutes were adopted. Commissioner Cline noted that Frances Arricale, IIPRC Executive Director provided an Operational Update which included a review of the product filing platform and progress, as well as an Update IIPRC Statistics Sheet available to all in attendance.

Commissioner Cline ended her Report of the Management Committee. Hearing no questions or comments, Commissioner Cline asked if there was a motion to adopt the Report. Commissioner Long, North Carolina, made the motion and Commissioner Voss, Iowa, seconded the motion. The Report was adopted by unanimous voice vote.

Commissioner Cline proceeded to the next item on the Agenda, the Report of the Audit Committee. Commissioner Cline called upon Commissioner Michie, Utah, as Chair of the Committee to provide the Report.

Commissioner Michie reported that the Audit Committee recently met to review the quarterly financial reports of the Commission. Commissioner Michie explained that the Audit Committee, as part of their role, is to review the financial reports with the IIPRC Office and the NAIC Finance Department to ensure the accuracy and completeness of the financial statements. Commissioner Michie noted that an independent auditor is responsible for validating the accuracy and completeness of the Commission's financial reports each year. Commissioner Michie highlighted that the Audit Committee was pleased with the financial reports and accepted them as presented by the IIPRC and NAIC staff. Commissioner Michie noted that the Audit Committee has agreed to review the year-to-date results on a quarterly basis going forward. Commissioner Michie explained that the monthly financials are shared with and reviewed by the Commission's Treasurer. Commissioner Michie concluded his report.

Commissioner Cline asked if there were any comments for Commissioner Michie regarding his report. Hearing none, Commissioner Cline asked if there was a motion to adopt the Report of the Audit Committee. Commissioner Michie motioned to adopt the Report and Don Beatty, Virginia, seconded the motion. The report was adopted by unanimous voice vote.

Commissioner Cline proceeded to the next item on the Agenda, consider adoption of Uniform Standards approved by the Management Committee on April 28. Commissioner Cline asked Commissioner Sevigny to highlight the Uniform Standards before the Commission for adoption.

Commissioner Sevigny reported that the Standards were approved by the Management Committee on April 28. Commissioner Sevigny highlighted that there is an Index of Standards Committee Materials and the Standards to be considered are listed on this Index. Commissioner Sevigny reported that the Standards include one benefit feature and four annuity standards. Commissioner Sevigny highlighted that the annuity standards forms the core of the Commission's uniform standards for the annuity products. Commissioner Sevigny noted that the only significant discussion related to these items involved the nonforfeiture requirements of the deferred annuity standards, both variable and non-variable. Commissioner Sevigny highlighted that the Product Standards Committee did a good deal of extra work on the nonforfeiture provisions, at the direction of the Management Committee. Commissioner Sevigny concluded his

Report and noted that there were multiple public meetings about the revisions and the Committee believes the issue has been resolved.

Commissioner Cline asked if there were any comments for Commissioner Sevigny on his Report. Hearing no comments, Commissioner Cline asked if there was a motion to adopt the Standards. Beth Berendt, from Washington, made the motion and Commissioner Sevigny seconded the motion. Ms. Arricale conducted the Roll Call vote. The Standards were adopted by a unanimous 2/3 majority vote.

Commissioner Cline asked Director Hudson to Chair the remainder of the meeting.

Director Hudson proceeded with the next item on the Agenda, consider adoption of the Commission Meeting Minutes. Director Hudson asked Ms. Arricale to review the meeting minutes. Ms. Arricale noted that there was one set of meeting minutes. Mr. Beatty noted that he has made some non-substantive edits. Director Hudson asked if there was a motion to adopt the Commission Meeting Minutes as amended by Virginia. Mr. Beatty made the motion and John Brown, Utah, seconded the motion. The Meeting Minutes were adopted by unanimous vote.

Director Hudson proceeded with the next item on the Agenda, any other matters. Director Hudson highlighted that the next in-person meeting will be the Annual Meeting in Washington, DC. Director Hudson noted that the dates for the NAIC meeting have been changed and the Annual Meeting will take place on September 21. Director Hudson informed the Commission that information regarding the meeting will be forward by the IIPRC Office throughout the summer. Director Hudson asked if there were any other matters to be considered. Hearing none, Director Hudson asked if there was a motion to adjourn. Superintendent Torti, Rhode Island, made the motion. The meeting was adjourned by unanimous voice vote.