

**Minutes of the Meeting of the
Interstate Insurance Product Regulation Commission (IIPRC)
Thursday, December 4, 2008**

Members of Commission in Attendance:

Commissioner Jane Cline, Chair, West Virginia
Director Mary Jo Hudson, Vice Chair, Ohio
Commissioner Sean Dilweg, Treasurer, Wisconsin
Director Linda Hall, Alaska
Commissioner Marcy Morrison, Colorado
Don Roof as a designated representative for Commissioner John Oxendine, Georgia
Director William Deal, Idaho
Cindy Donovan as a designated representative for Commissioner Jim Atterholt, Indiana
Commissioner Susan Voss, Iowa
Commissioner Sandy Praeger, Kansas
Commissioner Sharon Clark, Kentucky
Commissioner James Donelon, Louisiana
Commissioner Ralph Tyler, Maryland
Elizabeth Brodeur as a designated representative for Commissioner Nonnie Burnes, Massachusetts
Joan Moiles as a designated representative for Commissioner Kenneth Ross, Michigan
Brian Pennington as a designated representative for Commissioner Glenn Wilson, Minnesota
Director Ann Frohman, Nebraska
Commissioner Roger Sevigny, New Hampshire
Commissioner Jim Long, North Carolina
Brad Harker as a designated representative for Commissioner Joel Ario, Pennsylvania
Elizabeth Roman as a designated representative for Commissioner Dorelisse Juarbe Jimenez, Puerto Rico
Elizabeth Dwyer as a designated representative for Commissioner Joseph Torti, Rhode Island
Commissioner Leslie Newman, Tennessee
Sara Waitt as a designated representative for Commissioner Mike Geeslin, Texas
Neal Gooch as a designated representative for Commissioner Kent Michie, Utah
Commissioner Paulette Thabault, Vermont
Don Beatty as a designated representative for Commissioner Al Gross, Virginia
Beth Berendt as a designated representative for Commissioner Mike Kriedler, Washington
Commissioner Ken Vines, Wyoming

Members of the Legislative Committee in Attendance:

Representative Robert Damron, Kentucky
Representative Brian Patrick Kennedy, Rhode Island
Susan Nolan, NCOIL
Mike Humphries, NCOIL

Members of the Consumer Advisory Committee in Attendance:

Brendan Bridgeland, Center for Insurance Research
Ken Libertoff, Vermont Association for Mental Health
James Wenzel, Consumer Protection & Public Health Division Office of the Attorney, State of Texas
T. Ryan Wilson, AARP

Members of the Industry Advisory Committee in Attendance:

Maureen Adolf, Prudential
Steve Buhr, AEGON
Dennis Herchel, Massachusetts Mutual

Gary Sanders, Association of Health Insurance Advisors
Miriam Krol, ACLI
Cande Olson, Actuarial Resources Corporation
Michael Lovendusky, ACLI
Tom English, New York Life

IIPRC Staff in Attendance:

Karen Schutter, Interim Executive Director
Sara Bamford, Operations Manager
Karyn Onyeneho, Administrative Assistant
Charles Rapacciuolo, Development Consultant
David Morris, Product Review Consultant
Alice Fontaine, Actuarial Consultant

NAIC Staff in Attendance:

Becky McElduff, Senior Counsel
Kay Noonan, General Counsel
Kara Binderup, NAIC Legal
Julie Fritz, SERFF

Commissioner Jane Cline, West Virginia, called the meeting of the Interstate Insurance Product Regulation Commission to order and asked for a Roll Call. Commissioner Cline asked the Legislative Committee, Consumer Advisory Committee and Industry Advisory Committee members to identify themselves for the record.

Commissioner Cline explained that the IIPRC Bylaws require a Roll Call Vote for the adoption of the reports during a meeting in which members of the Commission were also participating via teleconference. Commissioner Cline asked the members of the Commission if they would prefer a voice vote instead of a Roll Call Vote to adopt the reports during the Commission Meeting. Commissioner Cline then asked if there was any objection to maintaining a voice vote for the adoption of each Agenda item. Hearing no objections, Commissioner Cline addressed the first item on the Agenda, the report of the Management Committee.

Commissioner Cline noted that the Management Committee had just met. Commissioner Cline noted that members of the Management Committee met with the Legislative Committee. Commissioner Cline stated that during this Report, it was noted that Representative Robert Damron, from Kentucky, was recently re-appointed as Chair of the Legislative Committee and that Senator Ralph Hudgens, from Georgia, was appointed as Vice Chair. Commissioner Cline further stated that the new NCOIL members of the Legislative Committee included Senator Keith Faber, Ohio, Representative Kurt Olson, Alaska, and Senator Brian Taniguchi, Hawaii, is the newest NCSL member.

Commissioner Cline stated that Commissioner Kim Holland, Oklahoma, provided a Report of the Communications Committee, which noted that the Communications Committee met with the Industry Advisory Committee to discuss increased product filings to the Compact. Commissioner Cline stated that in the Report, Commissioner Holland further noted that the Communications Committee will continue to meet with the Industry Advisory Committee on a regular basis for the purpose of promoting Compact product filings. Commissioner Cline stated that the Communications Committee is also drafting a customer satisfaction survey in order to generate feedback on the filing process.

Commissioner Cline stated that Director Ann Frohman, Nebraska, provided a Report of the Finance Committee, which indicated that the Finance Committee will draft potential amendments to the IIPRC Terms and Procedures for IIPRC Filing Fees.

Commissioner Cline stated that Commissioner Susan Voss, Iowa, provided a Report of the Technology Committee, which noted that a Memo was provided to members of the Commission regarding short-term and long-term technology enhancements. Commissioner Cline stated that in the Report, Commissioner Voss noted that the Technology Committee will finalize the recommendation of the technology enhancements in the beginning of the new year.

Commissioner Cline stated that Commissioner Paulette Thabault, Vermont, provided a Report of the Rulemaking Work Agenda. Commissioner Cline stated that the Report provided by Commissioner Thabault noted that the Rulemaking Committee is in the process of drafting a self-certification rule. Commissioner Cline stated that during the Report of the Rulemaking Committee, comments were heard regarding the "Mix and Match" process. Commissioner Cline then stated that the Rulemaking Committee will decide the process of amending the filing process of "Mix and Match" in the upcoming year.

Commissioner Cline stated that Sara Waitt, Texas, provided a Report of the Product Standards Committee, which noted that the Product Standards Committee is beginning its initial review of long-term care standards. Commissioner Cline stated that the Report also noted that there will be public call on these standards within a few weeks and that the Product Standards Committee will continue to work with the NAIC National Standards Working Group (NSWG) in setting quarterly priorities for the Uniform Standards development process. Commissioner Cline noted that there would be a joint meeting of the Product Standards Committee and the NSWG immediately following the meeting of the Commission, for the purpose of hearing a presentation on group annuities.

Commissioner Cline stated that the Management Committee approved the most recent set of Meeting Minutes of the Management Committee which brings all minutes of the Management Committee current. Commissioner Cline noted that the recently adopted Meeting Minutes of the Management Committee from October 27, 2008 will be posted to the IIPRC web site.

Commissioner Cline stated that an operational update of the IIPRC was provided by Sara Bamford, IIPRC Operations Manager, during the Management Committee meeting. Commissioner Cline stated that during the operational update, Ms. Bamford provided filing statistics of the IIPRC as of November 2008 and noted that detailed information as pertains to these statistics were provided to members of the Commission. Commissioner Cline stated that Ms. Bamford also provided a scheduling update for the upcoming 2009 Management Committee meetings and that this information will be posted to the Event Calendar on the IIPRC web site.

Commissioner Cline stated that the IIPRC Officers provided an update regarding recent personnel issues in which an outline was discussed in terms of how the Commission will proceed with respect to the resignation IIPRC Executive Director, Frances Arricale. Commissioner Cline noted that Karen Schutter, from the NAIC, will serve as interim Executive Director.

Commissioner Cline highlighted that a resolution to the IIPRC tax structure was considered during the meeting of the Management Committee. Commissioner Cline stated that the IIPRC will begin a process of becoming a 501 C 3 entity and noted that IIPRC outside counsel, Kelley Drye & Warren, will proceed with this process. Commissioner Cline stated that there was another resolution that was considered during the meeting, which was an amendment to the authorizing signatory to the bank account of the IIPRC. Commissioner Cline noted that as Chair of the Management Committee, she would become the new authorized signatory replacing Ms. Arricale.

Commissioner Cline asked if there were any questions regarding the Report of the Management Committee. Hearing none, Commissioner Cline asked for a motion to adopt the Report of the Management Committee. Commissioner Jim Long, North Carolina, made the motion and Director Hudson, Ohio, seconded the motion. Commissioner Cline then asked if there were any further discussions. Hearing none, the Report of the Management Committee was approved by a unanimous voice vote.

Commissioner Cline then turned to the next item on the Agenda and asked Commissioner Kent Michie, Utah, to provide a Report of the Audit Committee. Commissioner Michie stated that the Audit Committee met on November 24, 2008 for the purpose of reviewing the Commission's third quarter financial reports of 2008. Commissioner Michie stated that the purpose of the Audit Committee is to review these financial reports with IIPRC management and the NAIC Finance Department for the purpose of ensuring the accuracy and completeness of the financial statements. Commissioner Michie reported that during the review of the September 30 year-to-date financial statements, concern was raised about the lagging revenue and whether or not action should be taken to enhance revenues. Commissioner Michie noted that the Audit Committee did vet the idea of conducting an independent audit upon the departure of Frances Arricale, IIPRC Executive Director; and decided that such an audit did not need to be conducted. Commissioner Michie reported that the Audit Committee met with the outside Audit Firm of Mayer Hoffman McCann (MHM) the morning of December 4 for the purpose of reviewing the 2008 Audit process. MHM conducted the 2007 IIPRC Audit and has been engaged to conduct the 2008 IIPRC Audit. Commissioner Michie asked if there were any questions regarding the Report of the Audit Committee.

Commissioner Cline asked if there were any questions for Commissioner Michie. Hearing none, Commissioner Cline asked for a motion to adopt the Report of the Audit Committee. Commissioner Michie made the motion and Commissioner Newman, Tennessee seconded the motion. The Report of the Audit Committee was adopted by unanimous voice vote.

Commissioner Cline moved to the next item on the Agenda, the adoption of Commission Meeting Minutes. Commissioner Cline noted that the Meeting Minutes from the October 29, 2008 meeting of the Commission needed to be adopted. Commissioner Cline noted that Mr. Beatty from Virginia provided some edits and asked if there were any additional edits to be made. Hearing none, Commissioner Cline asked if there was a motion to adopt the Meeting Minutes. Mr. Beatty made the motion and Commissioner Donelon, Louisiana, seconded the motion. The Meeting Minutes were adopted by unanimous voice vote.

Commissioner Cline asked if there were any other matters to come before the Commission. Hearing none, Commissioner Cline noted that the 2009 Annual Registration Fees were being collected before the beginning of the new year. Commissioner Cline then asked if there was a motion to adjourn the meeting of the Commission. Commissioner Sevigny, New Hampshire, made the motion and Director Hudson, Ohio, seconded the motion. The meeting was adjourned by a unanimous voice vote.