

**Minutes of the Meeting of the
Interstate Insurance Product Regulation Commission (IIPRC)
Friday, September 18, 2009**

Members of the Commission in attendance:

Commissioner Jane L. Cline, Chair, West Virginia
Director Mary Jo Hudson, Vice Chair, Ohio
Commissioner Sean Dilweg, Treasurer, Wisconsin
Katie Campbell as a designated representative for Director Linda S. Hall, Alaska
Peg Brown as a designated representative for Commissioner Marcy Morrison, Colorado
Margaret Witten as a designated representative for Commissioner John W. Oxendine, Georgia
Commissioner Susan Voss, Iowa
Director William W. Deal, Idaho
Marlyn Burch as a designated representative for Commissioner Sandy Praeger, Kansas
Commissioner Sharon P. Clark, Kentucky
Commissioner James J. Donelon, Louisiana
Tom Record as a designated representative for Superintendent Mila Kofman, Maine
Commissioner Ralph S. Tyler III, Maryland
Stephanie Pinion as a designated representative for Commissioner Nonnie Burnes, Massachusetts
Joan Moiles as a designated representative for Commissioner Kenneth Ross, Michigan
Emmanuel Munson-Regala as a designated representative for Commissioner Glenn Wilson, Minnesota
Aaron Sisk as a designated representative for Commissioner Mike Chaney, Mississippi
Director John M. Huff, Missouri
John Rink as a designated representative for Director Ann M. Frohman, Nebraska
Commissioner Roger A. Sevigny, New Hampshire
Commissioner Wayne Goodwin, North Carolina
Darren Ellingson as a designated representative for Commissioner Kim Holland, Oklahoma
Brad Harker as a designated representative for Commissioner Joel Ario, Pennsylvania
Elizabeth Roman as a designated representative for Commissioner Ramon Cruz-Colon, Puerto Rico
Beth Dwyer as a designated representative for Superintendent Joseph Torti III, Rhode Island
Shawn Hawk as a designated representative for Commissioner Leslie Newman, Tennessee
Sara Waitt as a designated representative for Commissioner Mike Geeslin, Texas
Betsy Jerome as a designated representative for Commissioner D. Kent Michie, Utah
Commissioner Paulette J. Thabault, Vermont
Don Beatty as a designated representative for Commissioner Alfred W. Gross, Virginia
Commissioner Mike Kreidler, Washington
Commissioner Ken Vines, Wyoming

Regulator Staff in attendance:

Donna Daniel, Idaho
Malinda Shepherd, Kentucky
Edward Charbonnier, Massachusetts
Fred Heese, Missouri
David Hippen, Missouri
Jim McAdams, Missouri
John Rink, Nebraska
Ted Hamby, North Carolina
Kathie Stepp, Oklahoma
Pete Weber, Ohio
Tomasz Serbinowski, Utah

Members of the Legislative Committee in attendance:

Senator Keith Faber, Ohio
Senator Brian Taniguchi, Hawaii
Susan Nolan, National Conference of Insurance Legislators (NCOIL), Executive Director
Mike Humphries, NCOIL

Members of the Consumer Advisory Committee in attendance:

T. Ryan Wilson, AARP

Members of the Industry Advisory Committee in attendance:

Michael Lovendusky, American Council of Life Insurers (ACLI)
Amanda Matthiesen, America's Health Insurance Plans
Tom English, New York Life
Mary Keim, State Farm

Interested Regulators in attendance:

Mary Kosinski, Arizona
Theresa Bobear, New York
Mary Burns, New York
Joyce Patton, Oregon

Interested Parties in attendance:

Miriam Krol, ACLI
Cande Olsen, Actuarial Resources on behalf of the ACLI
Mark Bensing, Kansas City Life
John MacBain, Kentucky
Corinne Brand, State Farm
Jonathan Gaines, AXA Equitable
Nancy Johnson, Unum
Ute Luedtke-Ahrens, Zurich/Universal Underwriters
Carol Mayer, New York Life
Joe Muratore, New York Life
John Proper, American General Life
Tim Ring, MetLife
Martin Smith, State Farm

IIPRC Staff in attendance:

Karen Schutter, Executive Director
Sara Dubsy, Operations Manager
Karyn Onyeneho, Administrative Assistant
Charles Rapacciuolo, Development Consultant
Alice Fontaine, Actuarial Consultant

NAIC Staff in attendance:

Becky McElduff, Senior Counsel
Kara Binderup, Staff Attorney
Amanda Yanek, Legislative Analyst

Commissioner Cline called the meeting of the Interstate Insurance Product Regulation Commission (IIPRC) to order and asked for a roll call. Commissioner Cline explained that this meeting was being held as an emergency meeting pursuant to Article VII §D of the IIPRC Bylaws, for the purpose of considering a request from the Missouri Department of Insurance, Financial Institutions and Professional Registration (Department) to opt-out of

the Additional Standards for Market Value Adjustment Features Provided Through the General Account. Commissioner Cline advised that the request was received from Missouri on September 14, 2009 and required expedited action by the IIPRC.

Commissioner Cline noted that Missouri has some remaining unresolved issues with this particular Uniform Standard and has exercised its right to opt-out. Commissioner Cline asked Ms. Schutter to provide some background.

Ms. Schutter stated that Missouri notified the IIPRC of its election to opt-out of the Additional Standards for Market Value Adjustment Features Provided Through the General Account and petitioned to stay the effectiveness of this Uniform Standard. Ms. Schutter noted that this Uniform Standard was adopted by the Commission on April 30, 2009 and became effective on August 17, 2009. Ms. Schutter stated that Missouri has not opted out of any other Uniform Standard—including the Additional Standards for Market Value Adjustment Feature Provided Through Separate Account. Ms. Schutter affirmed that the Compact Statute provides each member state a sovereign right to opt-out of a Uniform Standard by legislation or by regulation within a prescribed period of time provided a written notice is given to the IIPRC no later than ten (10) business days after the effective date of state legislation. Ms. Schutter informed that the IIPRC authorizes a member state to request a grant of stay and may grant this request if it is determined that the regulatory opt-out is being pursued in a reasonable manner and that there is a likelihood of success. Ms. Schutter stated that if the stay is granted, it will remain effective for 90 days unless an extension is granted. Ms. Schutter noted that opt-out procedures are located in Article VII of the Compact Statute.

Director Huff stated that since the legislation was enacted in May, his Department has devoted significant efforts in reviewing all of the Uniform Standards that have been adopted by the IIPRC. Director Huff indicated that the Additional Standards for Market Value Adjustment Feature Provided Through the General Account is the only Uniform Standard that will require more due diligence for purposes of understanding its impact on Missouri consumers. Director Huff advised that Missouri will collaborate with other member states, and work with the IIPRC Office, to assist in working through this standard.

Commissioner Cline asked if there were any questions or comments.

Commissioner Tyler asked Director Huff how long it may take the department to finalize a decision on whether to opt-out of the standards.

Director Huff advised that the department anticipates moving through the standards within ninety days and will go through a formal hearing process in an expedited process as may be necessary.

Mr. McAdams stated that a formal hearing, if required, will occur very quickly.

Commissioner Dilweg asked if the IIPRC has received any product filings under the Additional Standards for Market Value Adjustment Feature Provided Through the General Account.

Ms. Schutter asserted that no products have been filed, thus far, under these Uniform Standards.

Director Hudson expressed appreciation to Missouri in its candidness with the process it has undertaken in exercising its opt-out of the standard.

Ms. Schutter explained that under the petition to stay, the regulatory opt-out is granted if it is determined that the opt-out is being pursued in a reasonable manner; and that the stay may be terminated by the IIPRC upon notice from the state that the rulemaking process has been terminated.

Ms. Krol stated that the ACLI has been working with Missouri on this issue within the past several months and is hopeful that the opt-out may be avoided.

Commissioner Dilweg advised that the IIPRC Actuarial Working Group would be valuable in assisting with Missouri's efforts in formalizing its decision to opt-out of the uniform standards.

Commissioner Cline asked if there were further questions or comments. Hearing none, Commissioner Cline asked for a motion to grant a stay to Missouri for the Additional Standards for Market Value Adjustment Features Provided Through the General Account with a retroactive date of September 14. Mr. Burch made a motion and Commissioner Tyler seconded the motion. Commissioner Cline asked if there were further discussion. Hearing none, a roll call vote was taken and the motion passed with Missouri abstaining from the vote.

Ms. Schutter stated that the IIPRC will continue to work with Missouri in moving through its opt-out consideration process. Ms. Schutter noted that the IIPRC Office is working with the SERFF Team to develop functionality in SERFF that will disable a filer from including the Additional Standards for Market Value Adjustment Features Provided Through the General Account in a product filing submission. Ms. Schutter advised that information will be posted on the IIPRC web site regarding Missouri's election to opt-out of these standards.

Commissioner Cline asked if there were any other matters to be discussed. Hearing none, the meeting was adjourned.