



**TELECONFERENCE MEETING OF THE MANAGEMENT COMMITTEE
OF THE
INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION (IIPRC)**

**Monday, October 26, 2009
1:30pm ET / 12:30pm CT / 11:30am MT / 10:30am PT**

AGENDA

1. Roll Call
2. **Report of Product Standards Committee and Consider Adoption of Product Standards Committee Report**
3. **Report of Rulemaking Committee and Consider Adoption of Rulemaking Committee Report**
4. **Consider Reappointment of IIPRC Committees**
5. **Consider Approval of the Interstate Insurance Product Regulation Commission Employee Handbook**
6. **Consider Approval of September 14, 2009 Management Committee Meeting Minutes**
7. **Operational Update**
8. Any Other Matters
9. Adjourn

**Minutes of the Meeting of the Management Committee of
The Interstate Insurance Product Regulation Commission (IIPRC)
Monday, October 26, 2009**

Members of the Management Committee in attendance:

Director Mary Jo Hudson, Chair, Ohio
Commissioner Sean Dilweg, Vice Chair, Wisconsin
Commissioner Paulette J. Thabault, Treasurer, Vermont
Commissioner Ralph S. Tyler III, Maryland
Acting Commissioner Joe Murphy, 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
Matt Barton as a designated representative for Commissioner John Huff, Missouri
Darren Ellingson as a designated representative for Commissioner Kim Holland, Oklahoma
Brad Harker as a designated representative for Commissioner Joel Ario, Pennsylvania
Sara Waitt as a designated representative for Commissioner Mike Geeslin, Texas
Beth Berendt as a designated representative for Commissioner Mike Kreidler, Washington

Members of the Commission in attendance:

Shelley Santo, Hawaii

Regulator Staff in attendance:

John Kissling, Indiana
Marlyn Burch, Kansas
Malinda Shepherd, Kentucky
Ron Henderson, Louisiana
Tom Record, Maine
Edward Charbonnier, Massachusetts
Brian Pennington, Minnesota
John Rink, Nebraska
Tom Bowling, New Mexico
Michael Ridgeway, Oklahoma
Beth Dwyer, Rhode Island
Shawn Hawk, Tennessee
Sandra Christianson, Utah
Tomasz Serbinowski, Utah
Amanda McCally, Virginia

Members of the Legislative Committee in attendance:

Robert Damron, Chair, Kentucky
Susan Nolan, Executive Director, National Conference of Insurance Legislators (NCOIL)
Mike Humphries, NCOIL

Members of the Industry Advisory Committee in attendance:

Steve Buhr, AEGON/Transamerica
Amanda Matthiesen, America's Health Insurance Plans (AHIP)
Michael Gerber, National Association of Insurance and Financial Advisors (NAIFA)

Interested Regulators in attendance:

Mary Kosinski, Arizona Department of Insurance

Interested Parties in attendance:

Miriam Krol, American Council of Life Insurers (ACLI)
Brian Staples, Life Insurance Settlement Association (LISA)
Joe Muratore, New York Life
Linda Elston, Riversource Life
Nancy Johnson, Unum

IIPRC Staff in attendance:

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

NAIC Staff in attendance:

Becky McElduff, Senior Counsel
Kay Noonan, General Counsel
Kara Binderup, Staff Attorney III

Director Hudson called to order the meeting of the Management Committee of the Interstate Insurance Product Regulation Commission (IIPRC). Director Hudson asked for a roll call of the Management Committee members.

Director Hudson proceeded to the first item on the agenda, the report of the Product Standards Committee. Ms. Waitt provided the report. Ms. Waitt reported that the Product Standards Committee recommended the initiation of the rulemaking process with regard to three (3) newly developed uniform standards, which were the Additional Standards for Guaranteed Living Benefits for Individual Deferred Non-Variable Annuities; Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities; Additional Standards for Guaranteed Minimum Death Benefits for Individual Deferred Variable Annuities; and one (1) Conforming Amendment to Individual Annuity Application Standards. Ms. Waitt stated that these uniform standards were subject to public comment at the NAIC drafting group level as well as the Product Standards Committee level. Ms. Waitt noted that written comments were submitted on behalf of the Life Insurance Settlement Association (LISA) regarding the two (2) proposed guaranteed living benefit standards—in which concerns about termination provisions were expressed. Ms. Waitt noted that the Product Standards Committee has and will continue to consider these concerns through the development process of these uniform standards. Ms. Waitt stated that the Conforming Amendments to Individual Annuity Application Standards would follow an abbreviated process in terms of exposure, adoption and effectiveness in accordance with the IIPRC Operating Procedure for the Adoption of Conforming Amendments to a Uniform Standard. Ms. Waitt stated that the Product Standards Committee is diligently working to complete the suite of Individual Long-Term Care Uniform Standards.

Director Hudson asked if there were any questions for Ms. Waitt regarding the report of the Product Standards Committee. Hearing none, Director Hudson asked for a motion to adopt the report of the Product Standards Committee with the recommendation to initiate the formal rulemaking process for the Additional Standards for Guaranteed Living Benefits for Individual Deferred Non-Variable Annuities; Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities; Additional Standards for Guaranteed Minimum Death Benefits for Individual Deferred Variable Annuities; and the Conforming Amendments to Individual Annuity Application Standards. Commissioner Thabault made a motion and Mr. Munson-Regala seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a roll call vote was taken and the motion passed unanimously.

Director Hudson explained that the motion was approved for the purpose of advancing the four (4) uniform standards for a 60-day notice and public comment period and stated that additional comments would be accepted during the joint meeting of the Management Committee and Commission on December 4th.

Director Hudson moved to the next item on the agenda, a report of the Rulemaking Committee. Commissioner Thabault provided the report. Commissioner Thabault reported that the Rulemaking Committee has continued to work on the proposed Rule for the Self-Certification of Products and Advertisements filed with the IIPRC (“Self-Certification Rule”). Commissioner Thabault noted that Ohio, Vermont and Washington have taken the lead in drafting the Self-Certification Rule. Commissioner Thabault explained that the proposed Self-Certification Rule establishes eligibility requirements which allow filings that only contain product components that have been expressly authorized for self-certification by the applicable Uniform Standard as adopted by the Management Committee and Commission. Commissioner Thabault stated that the proposed rule takes into consideration that the Commission would review a self-certified product filing for compliance with applicable filing requirements, but would not routinely review each filing for compliance with a Uniform Standard; relying instead on the filer’s Compliance Certification. Commissioner Thabault stated that the Committee is making good progress in drafting the Self-Certification Rule and anticipates that this process will be completed soon for public notice and comment.

Director Hudson asked if there were any questions for Commissioner Thabault. Hearing none, Director Hudson asked for a motion to adopt the report of the Rulemaking Committee. Commissioner Dilweg made a motion and Commissioner Tyler seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a roll call vote was taken and the motion passed unanimously.

Director Hudson turned to the next item on the agenda, to approve the reappointment of the 2010 IIPRC Committees. Director Hudson explained that as Chair of the IIPRC, she is required to appoint the new Committees subject to the approval of the Management Committee as pursuant to the IIPRC Bylaws. Director Hudson expressed appreciation to Committee members who served the over the past year and then asked for a motion to approve the 2010 IIPRC Committee appointments. Commissioner Dilweg made a motion and Commissioner Tyler seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a roll call vote was taken and the motion passed unanimously.

Ms. Schutter stated that each IIPRC member will be notified regarding their respective 2010 Committee appointments and advised that the Committee assignments will take effect on November 1.

Director Hudson addressed the next item on the agenda, to consider the approval of the IIPRC Employee Handbook. Director Hudson stated that on the September 14th Management Committee conference call, a recommendation was made from Ms. Schutter for the approval of the IIPRC Employee Handbook. Director Hudson asked Ms. Schutter to review this recommendation.

Ms. Schutter stated that the IIPRC Office has been working with the NAIC Human Resources Department to develop the IIPRC Employee Handbook—which has been customized to fit the IIPRC as a distinct organization. Ms. Schutter stated that the IIPRC Employee Handbook was developed using the NAIC Employee Handbook as the foundation with regard to its personnel policies and procedures.

Mr. Ellingson asked if the IIPRC Employee Handbook would be adopted as a confidential record.

Ms. Schutter explained that the Employee Handbook would be considered a confidential record with regard to its internal personnel practices and procedures and stated that such measure is documented on the IIPRC web site—on the Rulemaking Record under the Operating Procedures for the Establishment of Conditions and Procedures for Public Inspection and Copying of Information and Official Records of the IIPRC (“Public Access Rule”).

Ms. Waitt asked for further explanation as to why the IIPRC Employee Handbook was being considered a confidential record.

Ms. Schutter further explained that the personnel nature of the IIPRC Employee Handbook is exempt from inspection and copying of information in accordance with the Public Access Rule thus establishing itself as a confidential record.

Director Hudson asked if there were any other questions regarding the IIPRC Employee Handbook. There were none. Director Hudson asked for a motion to adopt the recommendation to approve the IIPRC Employee Handbook. Commissioner Thabault made a motion and Mr. Munson-Regala seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a roll call vote was taken and the motion passed unanimously.

Director Hudson proceeded to the next item on the agenda, to adopt the meeting minutes from the September 14, 2009 Management Committee Meeting. Director Hudson noted that no comments were received and asked if there were any comments to be considered. There were none. Director Hudson asked for a motion to adopt the minutes. Commissioner Dilweg made a motion and Commissioner Tyler seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a roll call vote was taken and the motion passed unanimously.

Director Hudson moved to the next item on the agenda, an operational update of the IIPRC and asked Ms. Schutter to provide the report. Ms. Schutter reported that the IIPRC has received 70 registrations and increased product filing activity to 182 filings submitted so far this year. Ms. Schutter stated that the IIPRC presented at the ACLI Annual Conference as well as the AICP Annual Conference in October. Ms. Schutter particularly noted that there were many interested parties in attendance during the AICP Annual Conference, including companies who have registered with the IIPRC, who expressed satisfaction with the IIPRC product filing platform. Ms. Schutter stated that during the ACLI Annual Conference, an independent survey completed by Milliman Incorporated was distributed which revealed an overall high-level of satisfaction from companies currently filing with the IIPRC in terms of the IIPRC's speed-to-market efficiencies, comprehensive Uniform Standards and professional staff. Ms. Schutter stated that information contained in the survey is consistent with feedback from the IIPRC Focus Group, which is comprised of a diversity of companies and consumer representatives. Ms. Schutter explained that the survey indicated that the top concern from companies who have not yet registered with the IIPRC is due to "mix and match" issues with regard to the two (2) year timeline formerly associated with the ability to combine Compact-approved product components with state-approved product components. Ms. Schutter provided an overview of the other reasons cited in the survey from companies not yet registered to file with the IIPRC. Ms. Schutter advised that the feedback received from the survey and the Focus Group are being evaluated by the IIPRC Officers in working with the IIPRC Committees to increase and target outreach and education efforts that will provide information on the benefits to these companies about filing with the IIPRC. Ms. Schutter stated that the IIPRC continues to support the Missouri Insurance Department as they diligently work through implementation efforts of formalizing a decision to opt-out of the Additional Standards for Market Value Adjustment Features Provided Through the General Account. Ms. Schutter informed that the IIPRC web site provides information about Missouri's notice to opt-out of these standards.

Director Hudson asked if there were any questions for Ms. Schutter regarding the IIPRC operational update.

Ms. Berendt asked for an explanation as to who solicited the survey through Milliman Incorporated.

Ms. Schutter advised that Milliman Incorporated undertook an effort to prepare the survey report independently, as prepared by Jeff Kulesus, for the purpose of contributing an article to an industry trade publication and/or publishing the information contained in the report on the Milliman Incorporated web site.

Director Hudson asked if there were any other questions or comments. There were none. Director Hudson asked for a motion to adjourn the meeting of the Management Committee. Commissioner Thabault made a motion and Commissioner Dilweg seconded the motion. The meeting was adjourned by a unanimous voice vote.