

**Minutes of the Joint Meeting of the Management Committee and the Interstate Insurance
Product Regulation Commission
Monday, December 20, 2010**

Members of the Management Committee in attendance:

Commissioner Roger Sevigny, Acting Chair, New Hampshire
Commissioner Wayne Goodwin, North Carolina
Director Mike McRaith, Illinois
Commissioner Sandy Praeger, Kansas
Ellen Woodall, as a designated representative for Commissioner Elizabeth Sammis, Maryland
Commissioner Kenneth Ross, Michigan
Aaron Sisk, as a designated representative for Commissioner Mike Chaney, Mississippi
Matt Barton, as a designated representative for Director John Huff, Missouri
Director Mary Jo Hudson, Ohio
Brad Harker, as a designated representative for Acting Commissioner Robert Pratter
Sarah Waitt, as a designated representative for Commissioner Mike Geeslin, Texas
Don Beatty, as a designated representative for Commissioner Alfred W. Gross, Virginia
Alan Hudina, as a designated representative for Commissioner Mike Kreidler, Washington
Sue Ezalarab, as a designated representative for Commissioner Sean Dilweg, Wisconsin

Members of the Commission in attendance:

Director Linda Hall, Alaska
John Postolowski, Interim Commissioner, Colorado
Margaret Witten, as a designated representative for Commissioner John W. Oxedine
Robyn Crosson, as a designated representative for Commissioner Stephen Robertson
Commissioner Sharon Clark, Kentucky
Commissioner Jim Donelon, Louisiana
Ron Henderson, as a designated representative for Commissioner Jim Donelon
Thomas Record, as a designated representative for Superintendent Mila Kofman, Maine
Commissioner Glenn Wilson, Minnesota
Acting Director Bruce Ramge, Nebraska
Thomas Bowling, as a designated representative for Superintendent John Franchini, New Mexico
Beth Dwyer, as a designated representative for Superintendent Joseph Torti III, Rhode Island
Commissioner Leslie Newman, Tennessee
Commissioner Jane Cline, West Virginia
Commissioner Ken Vines, Wyoming

Members of the Legislative Committee in attendance:

Representative Robert Damron, Kentucky
Susan Nolan, National Conference of Insurance Legislators (NCOIL)

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 Insurance Company
Joe Muratore, New York Life Insurance Company

Members of the Consumer Advisory Committee in attendance:

Sonja Larkin-Thorne, NAIC Consumer Liaison Representative

Ryan Wilson, AARP

Interested Parties in attendance:

Luis Torres, MetLife

Interested Regulators in attendance:

Mary Kosinski, Arizona Department of Insurance

Felix Schirripa, New Jersey Department of Banking & Insurance

Gail Keren, New York Life Insurance Department

IIPRC Team in attendance:

Karen Schutter, Executive Director

Sara Dubsky, Operations Manager

MacKenzie Heidelberg, Administrative Coordinator

David Morris, Product Review Consultant

Maureen Perry, Product Review Consultant

Charles Rappaciuolo, Marketing & Development Consultant

NAIC Staff in attendance:

Kay Noonan, General Counsel

Becky McElduff, Senior Counsel

Carol Hartley, Controller

Amanda Yanek, Government Relations Analyst and Chief State Liaison

Commissioner Sevigny called to order the Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission (“IIPRC”).

Ms. Schutter took the Roll Call of the Management Committee members, the Commission, members of the Legislative Committee, members of the Industry Advisory Committee, members of the Consumer Advisory Committee, and other interested parties.

Commissioner Sevigny proceeded to the first item on the agenda, a Compact membership update. Commissioner Sevigny welcomed Director McRaith and the Illinois Insurance Department as the newest Compacting State. The Illinois legislation became effective on November 29th. Commissioner Sevigny reported that the Commission is expecting to soon welcome Commissioner Considine and the New Jersey Department of Banking and Insurance as a Compacting State. The legislation was passed unanimously at the end of November and is awaiting signature by Governor Christie. Commissioner Sevigny stated that Illinois is an automatic member of the Management Committee and New Jersey will also be an automatic Management Committee member when they join. Commissioner Sevigny highlighted that with the addition of these two states, there are now 38 Compacting States representing a little over two-thirds of the nationwide premium volume for asset-based insurance products.

Commissioner Sevigny proceeded to the next item on the agenda, the consideration of the request from the Illinois Department of Insurance for a Temporary Stay of the effectiveness of the Uniform Standards. Commissioner Sevigny asked Director McRaith to present Illinois’ request for temporary stay.

Director McRaith noted that the Illinois Department is pleased to be a part of the collective state effort that is the Compact. Director McRaith stated they need additional time to review the Uniform Standards. Director McRaith asked for a stay of three months and expressed that they hoped to be fully engaged and operational as soon as three months.

Commissioner Sevigny asked if there were any questions or comments from the members of the Commission, members of the Legislative Committee, members of the Consumer Advisory Committee; members of the Industry Advisory Committee or other interested parties. Hearing none, Commissioner Sevigny asked for a motion to grant the Illinois Department a stay for a period of ninety (90) days from November 29th of the effectiveness in Illinois of all Uniform Standards adopted by the IIPRC to day . Mr. Beatty made a motion and Commissioner Praeger seconded. Commissioner Sevigny asked if there were any questions or comments. Hearing none, a roll call vote of the Commission was taken and the motion passed unanimously.

Commissioner Sevigny turned to the next item on the agenda; the Report and Recommendation of the Product Standards Committee and Consideration by the Management Committee to adopt the Report and Recommendation of the Product Standards Committee. Commissioner Sevigny asked Ms. Ezalarab to make the report.

Ms. Ezalarab reported that the Product Standards Committee would like to recommend two new benefit feature uniform standards to the Management Committee. The proposed uniform standards are for private placement plans –one for life products and one for variable annuity products. Ms. Ezalarab noted that a memo was distributed in the materials for the meeting today which details the uniform standards being recommended.

Commissioner Sevigny asked if there were any comments or questions regarding the Report of the Product Standards Committee. Hearing none, Commissioner Sevigny asked for a motion from a member of the Management Committee to adopt the Report and Recommendation of the Product Standards Committee including the recommendation to publish the uniform standards for a 60-day notice and comment period. Ms. Waitt made a motion and Commissioner Goodwin seconded. Commissioner Sevigny asked for a roll call vote of the Management Committee. The motion passed unanimously.

Commissioner Sevigny moved to the next item out of order, the Management Committee Consideration of Approval of Meeting Minutes of the October 17th Joint Meeting of the Management Committee and Commission and the November 22nd Meeting of the Management Committee.

Commissioner Sevigny asked if there were any comments or edits regarding either set of Meeting Minutes. Hearing none, Commissioner Sevigny then asked for a motion from a member of the Management Committee to approve the Meeting Minutes from the October 17th Joint Meeting of the Management Committee and the Commission and the November 22nd Meeting of the Management Committee. Mr. Sisk made a motion and Ms. Ezalarab seconded. Commissioner Sevigny asked if there were any questions or comments. Hearing none, the Commissioner moved to a voice vote. A voice vote was taken without objections and the measure was approved.

Commissioner Sevigny proceeded to the next item, the Full Commission Adoption of Meeting Minutes of the October 17th Joint Meeting of the Management Committee and Commission. Commissioner Sevigny asked for a motion from a member of the Commission to approve the Meeting Minutes from the October 17th Joint Meeting of the Management Committee and Commission. Commissioner Goodwin made a motion, and Ms. Ezalarab seconded. Commissioner Sevigny asked if there were any comments or questions. Hearing none, Commissioner Sevigny moved to a voice vote. A voice vote was taken without objections and the measure was approved.

Commissioner Sevigny moved to the next item on the Agenda, Elections for vacancy in Chair of the Commission. Commissioner Sevigny recognized Ohio Insurance Director Mary Jo Hudson for her outstanding leadership as Chair of this organization. Director Hudson resigned as IIPRC Chair effective December 15th. Commissioner Sevigny reported that under Director Hudson’s leadership, the Commission saw dramatic growth in the number of registered companies and filing volume. Director Hudson tackled

some challenging issues by encouraging cooperation among the members and communications with legislators, companies and consumers to develop beneficial and productive solutions.

Commissioner Sevigny then asked Director Hudson to conduct the nominations for Chair of the Commission. Director Hudson opened the floor for nominations for the office of Chair of the IIPRC for the 2010-2011 year. Commissioner Cline nominated Commissioner Sevigny for Chair of the IIPRC and Commissioner Praeger seconded. Hearing no other nominations, Director Hudson motioned to take a voice vote by acclamation to elect Commissioner Sevigny the Chair of the IIPRC; and Commissioner Praeger seconded the motion. A voice vote was taken without objections and Commissioner Sevigny was unanimously elected Chair of the IIPRC.

Director Hudson then opened the floor for nominations for Vice Chair of the IIPRC. Commissioner Cline nominated Commissioner Goodwin for Vice Chair of the IIPRC and Mr. Barton seconded. Hearing no other nominations, Director Hudson asked for a motion to take a voice vote by acclamation to elect Commissioner Goodwin as Vice Chair of the IIPRC. Director McRaith made a motion and Commissioner Praeger seconded the motion. A voice vote was taken without objections and Commissioner Goodwin was unanimously elected Vice Chair of the IIPRC.

Director Hudson then opened the floor for nominations for the office of Treasurer of the IIPRC. Commissioner Cline nominated Director Huff for Treasurer of the IIPRC and Commissioner Goodwin seconded. Hearing no other nominations, Director Hudson asked for a motion to take a voice vote by acclamation to elect Director Huff as Treasurer of the IIPRC. Commissioner Cline made a motion and Mr. Sisk seconded the motion. A voice vote was taken without objections and Director Huff was unanimously elected Treasurer of the IIPRC.

Director McRaith, Commissioner Praeger, Commissioner Cline, Ms. Ezalarab, and Representative Damron all praised and thanked Director Hudson for her work with the Compact. Director Hudson thanked the IIPRC office and team and the staff at the NAIC for their hard work and assistance.

Commissioner Sevigny proceeded to the next Agenda item and asked Ms. Schutter to provide an operational update. Ms. Schutter stated that beginning on December 1st, companies were able to start filing individual long-term care products with the IIPRC. The Compact has held a series of webinars for both companies and the members on the long-term care product filing process. Ms. Schutter noted that the Compact is now accepting 2011 registrations. Ms. Schutter highlighted that there are currently 113 companies registered with the Compact, which is a 150% increase over the 2009 numbers. Commissioner Sevigny asked if there were any questions or comments; there were none.

Commissioner Sevigny asked for the Report of the Finance Committee. Director Range, Vice Chair of the Finance Committee was asked to provide the Report and Recommendation of the Finance Committee. Director Range reported that the Finance Committee was making a recommendation to amend the 2011 Budget to add \$175,000 to the Professional Services Line for the purpose of the retention of two new full-time consultants. Director Range noted that this will allow the Compact to continue to meet the high level of quality expected by compacting states and company filers. Director Range also noted that these changes will bring the average review turn around time closer to the 30-day expectation. Commissioner Sevigny asked if there were any questions or comments, there were none.

Commissioner Sevigny asked for a motion from the Management Committee to adopt the Report and Recommendations of the Finance Committee including the Recommendation to approve the amendment to the 2011 Budget to add \$175,000 to the Professional Services Line for the purpose of retaining two full-time consultants. Commissioner Goodwin made a motion, and Commissioner Praeger seconded. Commissioner Sevigny asked if there were any questions or comments. Hearing none, Ms. Schutter took a roll call vote of the Management Committee and the motion passed unanimously.

Commissioner Sevigny moved to the next item on the agenda, the Adoption of the Amendment to the 2011 Budget to add \$175,000 to the Professional Services Line. Commissioner Sevigny asked for a motion to adopt the amendment. Commissioner Clark made a motion and Mr. Record seconded the motion. Commissioner Sevigny asked if there were any questions or comments. Hearing none, Ms. Schutter took a roll call vote and the motion passed unanimously.

Commissioner Sevigny asked if there were any other matters to be discussed. Hearing none, Commissioner Sevigny asked for a motion to adjourn the meeting. Mr. Beatty made a motion and Director Hudson seconded. The Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission was adjourned.