

**Minutes of the Management Committee of the Interstate Insurance Product Regulation
Commission
Monday, June 27, 2011**

Members of the Management Committee in attendance:

Commissioner Wayne Goodwin, Vice Chair, North Carolina
Michael Wilkey, as a designated representative for Commissioner Roger Sevigny, Chair, New Hampshire
Matt Barton, as a designated representative for Director John Huff, Treasurer, Missouri
Susan Lamb, as a designated representative for Acting Director Jack Messmore, Illinois
Commissioner Sandy Praeger, Kansas
Brenda Wilson, as a designated representative for Commissioner Therese Goldsmith, Maryland
Ann Flood, as a designated representative for Commissioner R. Kevin Clinton, Michigan
Aaron Sisk, as a designated representative for Commissioner Mike Chaney, Mississippi
Reginald Young, as a designated representative for Commissioner Tom Considine, New Jersey
Sue Real, as a designated representative for Director Mary Taylor, Ohio
Brad Harker, as a designated representative for Commissioner Michael F. Considine, Pennsylvania
Sara Waitt, as a designated representative for Commissioner Mike Geeslin, Texas
Don Beatty, as a designated representative for Commissioner Jacqueline K. Cunningham, Virginia
Beth Berendt, as a designated representative for Commissioner Mike Kriedler, Washington
Susan Ezalarab, as a designated representative for Commissioner Ted Nickel, Wisconsin

Members of the Commission in attendance:

Commissioner John Postolowski, Colorado
Paul Hyslop, Indiana
Crystal Campbell, Louisiana
Ron Henderson, Louisiana
Ed Charbonnier, Massachusetts
Brian Pennington, Minnesota
Holly Blanchard, Nebraska
Commissioner Bruce Ramage, Nebraska
John Rink, Nebraska
Ted Hamby, North Carolina
Kelly Callahan, Oklahoma
Marsha Finch, Oklahoma
Beth Dwyer, Rhode Island
Commissioner Julie Mix McPeak, Tennessee
Cindy Carpenter, Texas
David Milliken, Vermont

Interested Regulators in attendance:

Sarah Huffer, New York
Betsy Jerome, Utah
Mary Kosinski, Arizona

Members of the Legislative Committee in attendance:

Jordan Estey, National Conference of insurance Legislators (NCOIL)
Senator Delores Kelley, Maryland

Members of the Industry Advisory Committee in attendance:

Bill Anderson, National Association of Insurance and Financial Advisors

Mary Keim, State Farm Insurance
Miriam Krol, American Council of Life Insurers (ACLI)
Amanda Matthiesen, America's Health Insurance Plans
Jill Morgan, Symetra
Joseph Muratore, New York Life Insurance Company

Interested Parties in attendance:

Hugh Barrett, Mass Mutual

IIPRC staff in attendance:

Karen Schutter, Executive Director
Sara Dubsy, Operations Manager
MacKenzie Heidelmark, Administrative Coordinator
Jeanne Daharsh, Actuarial Consultant
Alice Fontaine, Actuarial Consultant
David Morris, Product Review Consultant
Maureen Perry, Product Review Consultant
Charlie Rapacciuolo, Product Review Consultant

NAIC staff in attendance:

Becky McElduff, Senior Counsel
Amanda Yanek, Government Relations Analyst and Chief State Liaison

Commissioner Goodwin called to order the Meeting of the Management Committee of the Interstate Insurance Product Regulation Commission ("IIPRC").

Ms. Schutter took the roll call of the Management Committee, Commission, members of the Legislative Committee, members of the Industry Advisory Committee, members of the Consumer Advisory Committee, and other Interested Parties.

Commissioner Goodwin first welcomed Alabama Insurance Commissioner Ridling as the newest member of the Compact. Alabama joined the Compact on June 9th becoming an immediate Compact member. Commissioner Goodwin also welcomed Nevada and Commissioner Barratt, which enacted the Compact legislation at the end of May and will become effective October 1st. Commissioner Goodwin also congratulated Oregon and Teresa Miller as their legislature passed the Compact legislation in early June. Oregon will become a Compact member effective January 1, 2012. With these three new states, the Compact will have 41 Member States representing almost 70% of the nationwide premium volume. The Compact also hit another big milestone this month as June 13th marked the five-year anniversary of the Commission's inaugural meeting.

Commissioner Goodwin then proceeded to the first item on the agenda and called on Ms. Ezalarab to provide the report of the Product Standards Committee. Ms. Ezalarab stated that the Product Standards Committee is recommending four new disability income uniform standards and revisions to one other disability income uniform standard which is already under consideration by the Management Committee. Ms. Ezalarab noted that the Committee believes the Commission and the filing companies will receive the most benefit if the disability uniform standards are developed and promulgated as a complete suite. Ms. Ezalarab explained that this will ensure that all necessary parts of the product can be filed with the Compact on day one. The Committee is recommending one set of policy uniform standards for disability business overhead expense insurance and three additional uniform standards for policy change forms,

application change forms, and underwriting forms. Ms. Ezalarab reported that the Committee is also recommending a change to the individual disability income application uniform standard. Ms. Ezalarab explained that this change will permit mix and match filings with state approved product components, but only for the application and the application change form uniform standards. The Committee has already received comments on these uniform standards once at a public hearing. Ms. Ezalarab concluded the report of the Product Standards Committee.

Commissioner Goodwin then asked if there were any comments from members of the Management Committee or the Commission, members of the Legislative Committee, members of the Consumer Advisory Committee, members of the Industry Advisory Committee and other interested parties regarding the report and recommendation of the Product Standards Committee. Commissioner Goodwin noted that there will be opportunities to comment during the 60-day comment period of the public hearing. Ms. Schutter added that the Industry Advisory Committee submitted written comments in advance of this meeting which are posted on the website and the comments will be vetted during the rulemaking period.

Commissioner Goodwin asked if there were any questions or comments from other interested parties. Hearing none, Commissioner Goodwin asked if there was a motion from a member of the Management Committee to adopt the report of the Product Standards Committee including the recommendation to publish the uniform standards for a 60-day notice and comment period. Mr. Barton made a motion and Ms. Berendt seconded. Commissioner Goodwin asked Ms. Schutter to take a roll call vote of the Management Committee. The motion passed unanimously. Commissioner Goodwin explained that the uniform standards mentioned will be published on the Commission's website on its Rulemaking Docket and it is anticipated that the Compact will hold a public hearing at the Commission's August in-person meeting on the uniform standards as well as the initial set of disability income standards published in April.

Commissioner Goodwin moved to the next item on the agenda, the report and recommendation of the Rulemaking Committee. Mr. Beatty gave the report and reported that the Committee has been working on a new provision within the Rule for Adoption, Amendment and Repeal of Rules for the IIPRC (otherwise known as the "Rulemaking Rule"). Mr. Beatty noted that the new Section 103 is intended to provide a procedure for potential rulemaking in order to solicit participation from interested parties during the initial drafting stage; and the new section allows any committee to publish a notice of potential rulemaking with a request for comments during a 60-day period. Mr. Beatty explained another change, a modification to the renumbered Section 108 which clarifies that this new procedure does not rise to the level of formal or proposed rulemaking and is not subject to Section 108. Mr. Beatty noted that to date, no comments have been received on these proposed provisions. At this time, the Rulemaking Committee recommends that the Management Committee publish the revised Rulemaking Rule for notice and comment. Mr. Beatty concluded his report.

Commissioner Goodwin asked if there were any comments or questions from members of the Commission, members of the Legislative Committee, members of the Consumer Advisory Committee and members of the Industry Advisory Committee regarding the report and recommendation of the Rulemaking Committee. Ms. Krol stated that the Industry Advisory Committee supported the changes proposed. Commissioner Goodwin then asked if there were any comments from other interested parties and there were none.

Commissioner Goodwin then asked if there was a motion from a member of the Management Committee to adopt the report of the Rulemaking Committee including the recommendation to publish the proposed amendment to the rulemaking rule for a 60-day notice and comment period. Mr. Beatty made a motion and Ms. Berendt and Commissioner Sevigny seconded. Commissioner Goodwin then asked Ms. Schutter to take a roll call vote and the motion carried. Commissioner Goodwin explained that this amendment

will also be published on the Commission's website on its Rulemaking Docket and part of the public hearing at the Compact's August in-person meeting.

Commissioner Goodwin proceeded to the next item on the agenda, the approval of the meeting minutes from May's joint conference call. Commissioner Goodwin asked if there was a motion from a member of the Management Committee to approve the meeting minutes from the May 23rd joint meeting of the Management Committee and Commission. Mr. Beatty made a motion and Mr. Barton seconded. Commissioner Goodwin called for a voice vote. The vote was taken and passed unanimously.

Commissioner Goodwin then asked Ms. Schutter to provide an operational update. Ms. Schutter announced that the Management Committee will meet in-person in Philadelphia on August 28, and the July 25 Management Committee call has been canceled. Also, the IIPRC's quarterly statistics are posted on the website and the average review time is at 43 days. Ms. Schutter announced that there are now 110 companies registered and reminded everyone that the registration fee becomes prorated on July 1. Ms. Schutter announced that companies can add Alabama to their new and old filings as of June 23rd. Ms. Schutter highlighted that the life and annuity checklists are now published on the IIPRC's website. Ms. Schutter noted that the checklists are not a submission requirement but simply a tool for companies to utilize during the filing process. Another feature the IIPRC will be introducing is additional web-based tutorials, which are geared toward Compact members.

Commissioner Goodwin asked if there were any other matters to discuss. Hearing no other matters, Commissioner Goodwin asked for a motion and a second to adjourn. Mr. Beatty made a motion and Ms. Berendt seconded. The meeting of the Management Committee of the Interstate Insurance Product Regulation Commission was adjourned.