

**Minutes of the Joint Meeting of the Management Committee and the Interstate Insurance  
Product Regulation Commission  
Monday, February 28th, 2011**

**Members of the Management Committee in attendance:**

Commissioner Roger A. Seigny, Chair, New Hampshire  
Ted Hamby, designated representative for Commissioner Wayne Goodwin, Vice Chair, North Carolina  
Matt Barton, designated representative for Director John M. Huff, Treasurer, Missouri  
Robert Wagner designated representative for Director Michael McRaith, Illinois  
Commissioner Sandy Praeger, Kansas  
Brenda Wilson, designated representative for Acting Commissioner Elizabeth Sammis, Maryland  
Amy Allen, designated representative for Commissioner Kenneth Ross, Michigan  
Aaron Sisk, designated representative for Commissioner Mike Chaney  
Reginald Young, designated representative for Commissioner Tom Considine, New Jersey  
Sue Real, designated representative for Director Mary Taylor, Ohio  
Brad Harker, designated representative for Commissioner Michael Considine, Pennsylvania  
Sara Waitt, designated representative for Commissioner Mike Geeslin, Texas  
Don Beatty, designated representative for Commissioner Jacqueline Cunningham, Virginia  
Beth Berendt, designated representative for Commissioner Mike Kreidler, Washington  
Sue Ezalarab, designated representative for Commissioner Ted Nickel, Wisconsin

**Members of the Commission in attendance:**

Interim Commissioner John Postolowski, Colorado  
Justin Durrance as a designated representative for Commissioner Ralph Hudgens, Georgia  
Commissioner Gordon Ito, Hawaii  
Robyn Crosson as a designated representative for Commissioner Stephen Robertson, Indiana  
Commissioner Sharon Clark, Kentucky  
Commissioner James Donelon, Louisiana  
Brian Pennington as a designated representative for Commissioner Mike Rothman, Minnesota  
Commissioner Bruce Ramage, Nebraska  
Commissioner John Doak, Oklahoma  
Beth Dwyer as a designated representative for Superintendent Joseph Torti, III, Rhode Island  
Commissioner Julie Mix McPeak, Tennessee  
Commissioner Neal Gooch, Utah  
Tonya Gillespie as a designated representative for Commissioner Jane Cline, West Virginia  
Commissioner Ken Vines, Wyoming

**State Regulators in Attendance:**

Colin Hayashida, Hawaii  
Martha Im, Hawaii  
Malinda Shepherd, Kentucky  
Cindy Colonius, Illinois  
Mihir Nag, Indiana  
Ron Henderson, Louisiana  
Edward Charbonnier, Massachusetts  
Holly Blanchard, Nebraska  
Frank Stone, Oklahoma  
Susan Dobbins, Oklahoma

Shawn Hawk, Tennessee  
Betsy Jerome, Utah

**Members of the Legislative Committee in attendance:**

Susan Nolan, National Conference of Insurance Legislators ("NCOIL")  
Michael Humphries, NCOIL

**Members of the Industry Advisory Committee in attendance:**

William Anderson, National Association of Insurance and Financial Advisors ("NAIFA")  
Jill Morgan, Symetra  
Mary Keim, State Farm Insurance Company  
Miriam Krol, American Council of Life Insurers ("ACLI")

**Members of the Consumer Advisory Committee in attendance:**

Sonja Larkin-Thorne, NAIC Consumer Liaison Representative

**Interested Regulators in attendance:**

Mary Kosinski, Arizona  
Elizabeth Lindsey, Connecticut  
Kari Bagnell, Montana  
Sarah Huffer, New York

**IIPRC Team in attendance:**

Karen Schutter, Executive Director  
Sara Dubsy, Operations Manager  
MacKenzie Heidelberg, Administrative Coordinator  
Maureen Perry, Product Review Consultant  
Charles Rappaciuolo, Marketing & Development Consultant

**NAIC Staff in attendance:**

Becky McElduff, Senior Counsel  
Kara Binderup, Staff Attorney  
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 began with the first item on the agenda, which was to hold a public hearing and accept comments on two uniform standards that were published on October 28, 2010 for notice and comment. These uniform standards are Additional Standards for Change of Insured Benefit and Additional Standards for Overloan Protection Benefit. This hearing also covered public comments on the amendments that were published on October 28, 2010 to amend the Operating Procedure for the Filing and Approval of Product Filings. Written comments on these proposed uniform standards and the amendments to the Product Filing Rule were due on December 27, 2010. The IIPRC Office did not receive any written comments either before or after this comment due date. Commissioner Sevigny then asked if there were any questions or

comments from the Commission, members of the Legislative Committee, Industry Advisory Committee, members of the Consumer Advisory Committee and other interested parties.

Hearing none, Commissioner Sevigny concluded the public hearing, and stated that these items would be taken up for further consideration after the reports of the Committees.

Commissioner Sevigny then turned to the next item on the agenda, the Communications Committee report. Commissioner Sevigny proposed that since there were no specific recommendations from the committees one motion be made at the conclusion of the committee reports to adopt all the reports. Commissioner Sevigny then asked if there were any objections with the proposal. There were none.

Commissioner Sevigny called on Mr. Sisk to make a report of the Communications Committee. Mr. Sisk reported that the members of the Communications Committee met recently with the IIPRC Office for the purpose of discussing the key outreach initiatives for 2011. Mr. Sisk noted that the members of the Committee have asked that the IIPRC Office focus on developing web-based tutorials geared towards regulators in Compacting States that access IIPRC filings through SERFF. Mr. Sisk explained that the IIPRC Office would be working with the members of the Consumer Advisory Committee in developing a page on the IIPRC Website with consumer oriented information about the IIPRC and the Uniform Standards. Following the report, Commissioner Sevigny asked if there were any comments or questions regarding the report of the Communications Committee. Ms. Ezalarab asked about the tutorials and if they will be targeted solely to rate and form staff or will there be tutorials for market conduct staff. Ms. Schutter replied that the first release would target rate and form staff and that the second release would be targeted for market conduct staff.

Commissioner Sevigny moved to the next item on the agenda and asked Commissioner Donelon to make a report of the Finance Committee. Commissioner Donelon noted that the Finance Committee will be meeting with the IIPRC Office in March to review the 2010 end-of-year financial reports and to receive a report on the IIPRC Office's recruiting efforts for the two consultant positions. Commissioner Donelon noted that the IIPRC had a very positive year in 2010 in terms of revenue growth with a 150% increase in registrations and filing volumes. Following the report, Commissioner Sevigny asked if there were any comments or questions regarding the report of the Finance Committee. There were none.

Commissioner Sevigny moved onto the next item on the agenda, the report of the Product Standards Committee. Commissioner Sevigny called on Ms. Ezalarab to make a report of the Product Standards Committee. Ms. Ezalarab reported that the Product Standards Committee has been reviewing the individual disability income standards. Ms. Ezalarab noted that in the Committee's review that they are comparing the standards to the individual long-term care standards as well as to the NAIC Model. Following the report, Commissioner Sevigny asked if there were any comments or questions regarding the report of the Product Standards Committee. There were no comments.

Commissioner Sevigny moved to the next item on the agenda, the report of the Rulemaking Committee. Commissioner called on Mr. Beatty to make the report of the Rulemaking Committee. Mr. Beatty noted that the Rulemaking Committee is recommending that the Management Committee approve the amendments to the Product Filing Rule. Mr. Beatty explained that the purpose of the amendments were to amend the Rule to allow for combination product filings, specifically an individual long-term care rider being offered with either an annuity contract or a life policy. Mr. Beatty reported that the Rulemaking Committee met

recently to discuss the work agenda for 2011. Mr. Beatty noted that the Committee has two issues to address – to create a process for advance rulemaking and to prepare for the required five-year review of existing rules and Uniform Standards. Mr. Beatty noted that the advanced rulemaking process will allow for solicitation of input prior to the formal drafting process. Mr. Beatty explained that the five-year review is required by Section 118 of the Rulemaking Rule. After the report, Commissioner Sevigny asked if there were any comments or questions regarding the report of the Rulemaking Committee. Mr. Wagner inquired about further review of the proposed amendments to the Product Filing Rule. Mr. Beatty replied that these items have been published for comment since October 2010 and were scheduled for action at this meeting.

Commissioner Sevigny then asked for a motion from a member of the Management Committee to adopt the reports of the Communications, Finance, Product Standards and Rulemaking Committees. Ms. Berendt made a motion and Mr. Beatty seconded. Commissioner Sevigny then asked Ms. Schutter to conduct the roll call vote. The motion passed with Illinois abstaining.

Commissioner Sevigny then moved onto the next agenda item, the consideration of approval of the two proposed Uniform Standards and the amendments to the product Filing Rule that were the subject of the public hearing. Commissioner Sevigny proposed that the two Uniform Standards and the amendments to the Product Filing Rule be considered in one motion; and asked if there were any objections to this proposal. Hearing none, Commissioner Sevigny then asked for a motion from a member of the Management Committee to approve the Additional Standards for Change of Insured Benefit and Additional Standards for Overloan Protection Benefit as well as the proposed amendments to the Operating Procedure for the Filing and Approval of Product Filing. Ms. Berendt made the motion and Ms. Ezalarab seconded. Commissioner Sevigny then asked Ms. Schutter to take a Roll Call of the Management Committee. The motion was approved by majority vote; Illinois abstained.

Commissioner Sevigny then asked if there was a motion to adopt the Uniform Standards and amendments to the Operating Procedure just approved by the Management Committee. Ms. Dwyer made the motion and Ms. Berendt seconded the motion. Commissioner Sevigny then asked Ms. Schutter to take a Roll Call of the Commission. The required two-thirds supermajority vote of the entire Commission needed to adopt the Uniform Standards was not met. Therefore, the uniform standards will be considered by the Commission at a later meeting date. The amendments to the Product Filing Rule were adopted by the requisite majority vote. Illinois, Indiana and Oklahoma abstained from voting; all other members present voted in favor of the motion.

Commissioner Sevigny proceeded to the next item on the agenda, which was to consider the written request from the Indiana Department of Insurance for a 90-day extension of its Stay of the Effectiveness of the Individual Long-Term Care Uniform Standards. Commissioner Sevigny explained that Indiana's stay was effective for 90 days which began on December 1, 2010 and they are still continuing its rulemaking process to opt-out of the Individual Long-Term Care Uniform Standards by regulation. Commissioner Sevigny asked if Indiana had anything to add. Ms. Crosson provided a brief update regarding the process the Department is undergoing. Commissioner Sevigny asked if there was a motion from a member of the Commission to grant Indiana's request for a 90-day extension of its stay of the Individual Long-Term Care Uniform Standards in Indiana. Commissioner Praeger made the motion and Ms. Ezalarab seconded the motion. Commissioner Sevigny then asked Ms. Schutter to take the roll call of the Commission. The motion passed unanimously.

Commissioner Sevigny moved to the next item on the agenda, which was to consider the written request from the Illinois Department of Insurance for a 90-day extension of its Stay of the Effectiveness of all Uniform Standards. Commissioner Sevigny noted that Illinois' stay was effective for 90 days beginning November 29, 2010 and it is still continuing its due diligence in reviewing the Uniform Standards and preparing to implement the Compact. Commissioner Sevigny asked Mr. Wagner if he had anything to add. Mr. Wagner provided a brief update regarding the process the Department is undergoing. Commissioner Sevigny then asked if there was a motion from a member of the Commission to grant Illinois' request for a 90-day extension of its stay of all Uniform Standards. Ms. Crosson made the motion and Mr. Beatty seconded the motion. Ms. Schutter was then asked to take a roll call of the Commission. The motion passed unanimously.

Commissioner Sevigny proceeded to the next item on the agenda, the approval of the meeting minutes from the January 24th Management Committee teleconference. Commissioner Sevigny thanked Mr. Beatty for his review and technical edits of these minutes. Commissioner Sevigny then asked if there was a motion from a member of the Management Committee to approve the meeting minutes of the Management Committee's January 24<sup>th</sup> conference call. Ms. Berendt made the motion and Mr. Beatty seconded the motion. Commissioner Sevigny stated that unless there was an objection, he would call for a voice vote as it was a ministerial matter. Without objection, the motion passed unanimously upon voice vote.

Commissioner Sevigny then asked if there was a motion from a member of the Commission to adopt the meeting minutes of the December 20<sup>th</sup> Joint Meeting of the Management Committee and the Commission as approved by the Management Committee on January 24<sup>th</sup>. Commissioner Praeger made the motion and Commissioner Donelon seconded the motion. Without objection, the motion passed unanimously upon voice vote.

Ms. Schutter was then asked to provide an operational update. Ms. Schutter provided a brief update on the Commission. Commissioner Sevigny asked if there were any questions for Ms. Schutter. There were no questions.

With no further questions or comments, Commissioner Sevigny asked for a motion from a member of the Management Committee to adjourn. Mr. Beatty made a motion and Ms. Crosson seconded the motion. The Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission ("IIPRC") was adjourned.