

INTERSTATE INSURANCE  
PRODUCT REGULATION COMMISSION



*States, Strength & Speed Aligned*

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

**Monday, April 28, 2014**

**1:30pm ET / 12:30pm CT / 11:30am MT / 10:30am PT**

**CHORUS CALL DIAL-IN: 1-866-332-4905**

**Ask for “IIPRC Management Committee Meeting”**

1. [Roll Call](#)
2. [Report and Recommendation of the Product Standards Committee and Consider Adoption of the Report and Recommendation of the Product Standards Committee](#)
3. [Report of the Finance Committee and Consider Adoption of the Report of the Finance Committee](#)
4. [Report of the Rulemaking Committee and Consider Adoption of the Report of the Rulemaking Committee](#)
5. [Report of the Technology Committee and Consider Adoption of the Report of the Technology Committee](#)
6. [Management Committee Consideration of Approval of Meeting Minutes from the March 28<sup>th</sup> joint meeting of the Management Committee and Commission](#)
7. [Operational Update](#)
8. Any Other Matters
9. Adjourn

**Minutes of the Meeting of the Management Committee of the Interstate Insurance Product  
Regulation Commission  
Monday, April 28, 2014**

**Members of the Commission and Department Staff in Attendance:**

Commissioner Roger Sevigny, Chair, New Hampshire  
Peter Camacci as a designated representative for Commissioner Michael Consedine,  
Pennsylvania  
Commissioner Joseph G. Murphy, Treasurer, Massachusetts  
Director Germaine L. Marks, Arizona  
Kathleen Nakasone, Hawaii  
Michelle Souza, Hawaii  
Kathy McGill, Idaho  
Cindy Colonius as a designated representative for Director Andrew Boron, Illinois  
Tina Korty as a designated representative for Commissioner Stephen Robertson, Indiana  
Mihir Nag, Indiana  
Jason Lapham, Kansas  
Barry Ward, Louisiana  
Commissioner Therese Goldsmith, Maryland  
Joe Garcia as a designated representative for Director Ann Flood, Michigan  
Tiffany Caverhill, Montana  
Director Bruce Ramage, Nebraska  
Stephen King, Nebraska  
John Rink, Nebraska  
Felix Schirripa as a designated representative for Commissioner Kenneth Kobylowski, New  
Jersey  
Ted Hamby, North Carolina  
Peter Weber as a designated representative for Lieutenant Governor and Director Mary  
Taylor, Ohio  
Cuc Nguyen, Oklahoma  
Rhonda Saunders-Ricks as a designated representative for Commissioner Laura Cali, Oregon  
Commissioner Julie Mix McPeak, Tennessee  
Jan Graeber as a designated representative for Commissioner Julia Rathgeber, Texas  
Betsy Jerome, Utah  
Don Beatty, Virginia  
Sue Ezalarab as a designated representative for Commissioner Ted Nickel, Wisconsin

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

Jason Berkowitz, Insured Retirement Institute  
Miriam Krol, American Council of Life Insurers (ACLI)  
Amanda Matthiesen, America's Health Insurance Plans (AHIP)  
Joe Muratore, New York Life Insurance Company

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

Senator Delores Kelley, Maryland

**Interested Parties in attendance:**

Rhonda Brackman, State Farm Life Insurance Company  
Beth Lindsey, ING

Joanne Nolte, Transamerica Life Insurance

**IIPRC staff in attendance:**

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

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Commissioner Sevigny called to order the Meeting of the Management Committee of the Interstate Insurance Product Regulation Commission (Commission). Ms. Schutter took the roll call of the Management Committee, Commission, members of the Legislative Committee, and members of the Industry Advisory Committee and the Consumer Advisory Committee. Commissioner Sevigny noted that as provided in the bylaws, when one or more member participates by telephone, a roll call vote upon each action item is to be taken.

Commissioner Sevigny began with the report and recommendation of the Product Standards Committee, which was provided by Ms. Ezalarab. The Product Standards Committee's recommendation was for amendments resulting from the 5-year review process to Uniform Standards for several individual life insurance product lines including term, whole life, endowment, adjustable life, and several of their benefit features. Ms. Ezalarab explained that Phase One of the 5-year review process also included the Standards for Accelerated Death Benefits and those have already been published for notice and comment. Ms. Ezalarab noted that the IIPRC Office presented a report and recommendation to the Product Standards Committee on August 13, 2013 with a detailed description of the submitted comments and suggested changes as well as changes or amendments proposed by the IIPRC Office as a result of applying the Uniform Standards. Ms. Ezalarab explained that the Product Standards Committee requested public written comments on the IIPRC Office Report and Recommendation and held five public conference calls to receive comments on the Committee's questions and recommendations. The chart attached to the transmittal memorandum summarizes the Committee's recommendations with regard to all comments presented, whether the comments resulted in amendments or not. The amendments are proposed to apply only to new filings made after the effective date of the amendments. This means that filings approved under the current Uniform Standards would remain effective with no re-filing being necessary to comply with the amended Uniform Standards as most of these changes are clarifications in nature. The Management Committee will commence the formal rulemaking process pursuant to the Rulemaking Rule to receive comments on the Committee's recommendations which would provide at least 60 days for public comment before any final action is taken to amend the Uniform Standards. Ms. Ezalarab concluded the report and made a motion while Commissioner McPeak seconded the motion. As there were no comments or questions, a voice vote was taken and the motion passed.

Commissioner Sevigny proceeded to the next item on the Agenda and asked Commissioner Murphy to present the report of the Finance Committee. Commissioner Murphy noted that

the Commission is off to a strong start in 2014 by meeting and exceeding its budgeted revenues for the first quarter. Revenues through the end of March are roughly 3.5% over budget for the year-to-date, and are approximately 18% higher than revenues through the end of last March. Commissioner Murphy reported that the operating expenses continue to run under budget by approximately 8%, which is largely due to the timing of certain expenses. There were no questions or comments. Commissioner Sevigny suggested waiting to approve the Reports of the Finance, Rulemaking, and Technology Committee and have one motion after the Technology Committee has concluded its report. There were no objections to this suggestion.

Commissioner Sevigny moved to the next item on the Agenda and asked Mr. Beatty to provide a report of the Rulemaking Committee. Mr. Beatty reported that the Commission is looking at an alternative approach rather than further amending the Product Filing Rule with regard to mix and match, and will start with issuing filing guidance from the Compact to filers on how to use mix and match. In addition, the Committee is considering providing suggested uniform instructions that states can issue for filers that file state forms for mix and match with Compact forms. Mr. Beatty noted that web-based tutorials will be vetted by the Rulemaking Committee before being published on the website, and will be based on the webinars that the IIPRC Office has offered to the state regulators as well as the industry interested parties over the course of the past year. Later this year, the IIPRC Office will continue with its outreach to regulators in our Compacting States by offering the member-only webinars for regulators to provide an overview of the mix-and-match process and discuss things they should be looking for when their department receives a filing that will be used with a Compact-approved product. There were no questions or comments for Mr. Beatty.

Commissioner Sevigny advanced to the report of the Technology Committee, which was provided by Ms. Ezalarab. Ms. Ezalarab announced that the Technology Committee met recently to begin discussions with the IIPRC Office and the SERFF Team regarding the web-based public access portal. Ms. Ezalarab explained that the IIPRC plans to launch web-based access to product filings that are marked for public access. Over the course of the next few weeks the Technology Committee will be working with the IIPRC Office and the SERFF Team on special functionality that is needed for the Compact instance. The IIPRC Office will be drafting and publishing detailed instructions as to how to use the web-based public access portal once it is available and will also be offering webinars on this topic. Commissioner Goldsmith proceeded to make a motion to approve the reports of the Finance, Rulemaking, and Technology Committees; and Commissioner Murphy seconded that motion. As there was no further discussion, a voice was taken and the motion passed.

Commissioner Sevigny advanced to the approval of meeting minutes, and asked for a motion from a member of the Management Committee to approve the March 28<sup>th</sup> Joint Management Committee and Commission Meeting Minutes. Mr. Camacci made a motion, and Ms. Korty seconded the motion. A voice vote was taken and the motion passed.

As the final agenda item, Ms. Schutter provided the Operational Update. Ms. Schutter announced that Arizona recently enacted the Compact and will become effective 90 days after the last day of the legislative session, meaning the effective date will most likely be the first week in August. Ms. Schutter noted that the legislation contains a front end opt-out of Long-Term Care. With the addition of Arizona, the Compact states now have a collective

premium volume of 73.5%. Ms. Schutter announced that the Compact is seeking comments from members and industry for advanced rulemaking for the group disability income uniform standards. Comments are due to the Compact office by July 1. The 2013 Compact Annual Report will be sent to all Compacting state governors as well as key legislators with regard to insurance committees and legislative leadership. Ms. Schutter explained that 162 companies are currently registered with the Compact and the current average approval time is 27 days. As there were no further matters or questions, Mr. Camacci made a motion to adjourn which was seconded by Commissioner Goldsmith. The meeting was adjourned.