



**JOINT MEETING OF THE MANAGEMENT COMMITTEE AND THE
INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION**

**Monday, June 26, 2017
1:30 pm ET / 12:30 pm CT / 11:30 am MT / 10:30 am PT**

1. Roll Call
2. Public Hearing on Proposed Amendments to the Uniform Standards Listed Under Phase 7 of the Five-Year Review Published on March 23, 2017:
 - i. [Additional Standards for Graded Death Benefits for Individual Whole Life Uniform Standards](#)
 - ii. [Individual Deferred Paid-Up Non-Variable Annuity Contract Standards \(Commonly Marketed as Longevity Annuities\)](#)
 - iii. [Additional Standards for Private Placement Plans for Individual Deferred Variable Annuity Contracts](#)
 - iv. [Additional Standards for Private Placement Plans for Individual Variable Adjustable Life Insurance Policies](#)
 - v. [Additional Standards for Change of Insured Benefit](#)
 - vi. [Additional Standards for Overloan Protection Benefit](#)
3. Management Committee Consideration of Approval of Uniform Standards listed under Phase 6 of the Five-Year Review Published on September 1, 2016:
 - i. [Core Standards for Individual Long-Term Care Insurance Policies](#)
 - ii. [Individual Long-Term Care Insurance Standards for the Outline of Coverage](#)
 - iii. [Rate Filing Standards for Individual Long-Term Care Insurance-Issue Age Rate Schedule Only](#)
 - iv. [Rate Filing Standards for Individual Long-Term Care Insurance-Modified Rate Schedule](#)
 - v. [Standards for Individual Long-Term Care Insurance Advertising Material](#)
 - vi. [Standards for Long-Term Care Insurance Benefit Features](#)
 - vii. [Standards for Riders, Endorsements or Amendments Used to Effect Individual Long-Term Care Insurance Policy Changes](#)
 - viii. [Individual Long-Term Care Insurance Application Standards](#)
 - ix. [Standards for Forms Required to be Used with an Individual Long-Term Care Application](#)
 - x. [Standards for Individual Long-Term Care Application Change Form](#)
4. Commission Consideration of Adoption of Uniform Standards listed under Phase 6 of the Five-Year Review as Approved by the Management Committee
5. Report and Recommendation of the Product Standards Committee and Consideration by the Management Committee to Approve the Report and Recommendation of the Product Standards Committee
6. Report and Recommendation of the Rulemaking Committee and Consideration by the Management Committee to Approve the Report and Recommendation of the Rulemaking Committee

7. Management Committee and Commission Consideration of Adoption of Meeting Minutes of the April 7, 2017 Joint Meeting of the Management Committee and Commission
8. Operational Update
9. Any Other Matters
10. Adjourn

**Minutes of the Joint Meeting of the Management Committee and the Interstate Insurance Product
Regulation Commission
Monday, June 26, 2017**

Members of the Commission and Department Staff in Attendance:

Commissioner Jaqueline K. Cunningham, Chair, Virginia
Tom Record as a designated representative for Superintendent Eric A. Cioppa, Vice Chair, Maine
Director Jillian E. Froment, Treasurer, Ohio
Donald Hale as a designated representative for Director Lori K. Wing-Heier, Alaska
Mayumi Gabor, Alaska
Sterling Gavette, Arizona
Bill Lacy as a designated representative for Commissioner Allen W. Kerr, Arkansas
Michael Conway as a designated representative for Commissioner Marguerite Salazar, Colorado
Tom Abel, Colorado
Director Dean L. Cameron, Idaho
Mike Chrysler as a designated representative for Director Jennifer Hammer, Illinois
Kate Kixmiller as a designated representative for Commissioner Stephen W. Robertson, Indiana
Mihir Nag, Indiana
Mathew Cunningham as a designated representative for Commissioner Doug Ommen, Iowa
Julie Holmes as a designated representative for Commissioner Ken Selzer, Kansas
Malinda Shepherd as a designated representative for Commissioner Nancy G. Atkins, Kentucky
Commissioner James J. Donelon, Louisiana
Korey Harvey, Louisiana
Bob Morrow as a designated representative for Commissioner Al Redmer, Jr., Maryland
Sheri Cullen as a designated representative for Acting Commissioner Gary D. Anderson, Massachusetts
Ruth Moritz, Massachusetts
Joe Garcia, as a designated representative for Director Patrick M. McPharlin, Michigan
Tammy Lohmann as a designated representative for Commissioner Mike Rothman, Minnesota
Bob Williams as a designated representative for Commissioner Mike Chaney, Mississippi
Mary Mealer as a designated representative for Director Chlora Lindley-Myers, Missouri
Tiffany Caverhill as a designated representative for Commissioner Matthew Rosendale, Montana
Karl Hug as a designated representative for Director Bruce R. Ramage, Nebraska
Mackay Moore as a designated representative for Commissioner Barbara Richardson, Nevada
Michael Wilkey as a designated representative for Commissioner Roger A. Sevigny, New Hampshire
Diana Lavoie, New Hampshire
Denise Lamy, New Hampshire
Brendan Peppard as a designated representative for Commissioner Richard J. Badolato, New Jersey
Kika Pena, New Mexico
Ted Hamby as a designated representative for Commissioner Mike Causey, North Carolina
Theresa Schaefer, Ohio
Joel Sander as a designated representative for Commissioner John D. Doak, Oklahoma
Verneta Pavel, Oklahoma
Commissioner Laura Cali Robison, Oregon
Tom Kilcoyne as a designated representative for Commissioner Teresa D. Miller, Pennsylvania
Matthew Gendron as a designated representative for Superintendent Elizabeth Kelleher Dwyer, Rhode
Island
Sarah Neil, Rhode Island
Lorrie Brouse as a designated representative for Commissioner Julie Mix McPeak, Tennessee

Doug Danzeiser as a designated representative for Temporary Acting Commissioner of Insurance, Texas
Jan Graeber, Texas
Tanji Northrup as a designated representative for Commissioner Todd E. Kiser, Utah
Tomasz Serbinowski, Utah
Don Beatty, Virginia
Alan Hudina as a designated representative for Commissioner Mike Kreidler, Washington
Mike Bryant, Washington
John Haworth, Washington
Tonya Gillespie as a designated representative for Commissioner Allan L. McVey, West Virginia
Joylynn Fix, West Virginia
Cari Lee as a designated representative for Commissioner Ted Nickel, Wisconsin
Sue Ezalarab, Wisconsin
John Kitslaar, Wisconsin
Commissioner Tom Glause, Wyoming
Brittany Buss, Wyoming

Members of the Industry Advisory Committee in Attendance:

Hugh Barrett, MassMutual Financial Group
Miriam Krol, American Council of Life Insurers
Michael Hitchcock, Pacific Life
Joseph Muratore, New York Life
Charles Perin, Nationwide Financial
Rod Perkins, American Council of Life Insurers
Angela Schaaf, Northwestern Mutual Life Insurance Company

Members of the Consumer Advisory Committee in Attendance:

Sonja Larkin-Thorne, NAIC Funded Consumer Liaison Representative

Members of the Insurance Compact Legislative Committee in Attendance:

Representative Sam Kito III, Alaska
Senator Robert D. Hackett, Ohio
Representative Bill Botzow, Vermont

Insurance Compact Staff in Attendance:

Karen Schutter, Executive Director
Becky McElduff, Assistant Director of Product Operations and Counsel
Sara Dubsy, Senior Operations Manager
Katie Campbell, Actuary
Ed Charbonnier, Product Reviewer
Jeanne Daharsh, Actuary
Karen Givens, Product Reviewer
Aimee Lawson, Product Filing Support Coordinator

Anne Marie Narcini, Regulatory Consultant
Maureen Perry, Product Review Consultant

Interested Parties in Attendance:

Rebecca Aguirre, Americo
Melissa Clines, Nationwide Financial
Patrick Coleman, National Catholic Society of Foresters
Robert Gomez, State Farm Insurance
Shirley Grossman, Lincoln Heritage Life Insurance Company
Laura Hanson, Allianz Life
Amanda Herrington, AHIP
Craig Hopkins, Pacific Life
Ute Luedtke-Ahrens, Zurich
William Otten, Lincoln Financial Group
Paul Penna, National Conference of Insurance Legislators
Michael Tobin, New York Life
Kurt Vangreen, Mutual of Omaha Insurance Company

Commissioner Cunningham called to order the Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission (Compact or Commission). Ms. Schutter took the roll call of the Management Committee, the Commission, the Legislative Committee, and the Industry and Consumer Advisory Committees. Commissioner Cunningham stated that a roll call vote would be taken on each substantive action item, as provided for in the bylaws. There were no objections.

Commissioner Cunningham proceeded to the second agenda item and opened the public hearing on proposed amendments to the Uniform Standards listed under Phase 7 of the Five-Year Review published on March 23, 2017. Ms. Schutter summarized the proposed amendments. There were no questions or comments from the Commission, the Legislative Committee, or the Consumer and Industry Advisory Committees. Ms. Schutter then summarized the written comment submitted by Northwestern Mutual. Mr. Kilcoyne summarized the written comment submitted by the Pennsylvania Insurance Department. Commissioner Cunningham asked the Commission if there were any objections to asking the Product Standards Committee to review the submitted comments and provide feedback to the Management Committee regarding whether further changes to the amendments should be made before action is taken. There were no objections. Commissioner Cunningham stated that the amendments would likely be ready for consideration at the in-person meeting on August 5th. Commissioner Cunningham closed the hearing and proceeded to the next agenda item, Management Committee Consideration of Approval of the Uniform Standards listed under Phase 6 of the Five-Year Review.

Ms. Schutter reported that the proposed amendments to the ten Uniform Standards in the Individual Long-Term Care product line were on the agenda for two in-person meetings. Ms. Schutter stated that the proposed amendments incorporate revisions that have been made to the NAIC Long-Term Care Model Act and Regulation, but do not include the industry proposal for a non-duplication of benefits provision. There were no questions for Ms. Schutter. Commissioner Cunningham requested a motion from a member of the Management Committee to approve the amendments to the Uniform Standards listed under Phase 6 of the Five-Year Review. Director Froment moved and Mr. Chrysler seconded. There were no further questions. Commissioner Cunningham called for a roll-call vote of the Management Committee. The motion passed.

Commissioner Cunningham proceeded to the next agenda item and called for a motion of the Commission to adopt the amendments to the Uniform Standards that were just approved by the Management Committee. Director Froment moved and Mr. Record seconded. There was no further discussion. Commissioner Cunningham stated that a two-third supermajority vote in favor is required by the Compact Statute and Bylaws, and asked Ms. Schutter to call the roll. The motion carried. Commissioner Cunningham stated that the Amendments to the Uniform Standards were adopted, and would be promulgated in approximately ten days, after which they would become effective for purposes of accepting product filings in ninety days. She noted that this was expected to be in mid-October.

Commissioner Cunningham continued to the next agenda item and asked Ms. Mealer to deliver the report and recommendation of the Product Standards Committee. Ms. Mealer reported that the Product Standards Committee was recommending to the Management Committee an amendment to add a Death Benefit Proceeds provision to the core annuity contract Uniform Standards. Ms. Mealer stated that the recommendation resulted from a request from the Industry Advisory Committee, who suggested that a standard for death benefits for annuities would provide additional consumer protections as well as further clarity and uniformity for compacting states and filers. Ms. Mealer stated that the proposed

amendment is based on a similar provision in the life Uniform Standards. Ms. Mealer reported that the Product Standards Committee exposed the recommended proposal for written comment and held a public conference call to receive comments. No comments were received in opposition to the recommendation. Ms. Mealer reported that the Product Standards Committee is working on Phase 8 of the Five-Year Review, which includes all of the individual Disability Income Insurance Uniform Standards. She stated that the Product Standards Committee intends to expose the initial report for comment later in the week, and to hold a public call on July 11. Ms. Mealer stated that the Product Standards Committee also plans to expose a draft proposal for uniform standards for incidental benefits for life insurance products, for which comments will also be solicited during the July 11 public call. Ms. Mealer concluded her report. Ms. Krol asked if the incidental benefits draft would be subject to a sixty-day comment period once it was exposed. Ms. Schutter clarified that the incidental benefits draft is a separate work stream from the Five-Year Review recommendations. She stated that the proposal for uniform standards for incidental benefits for life insurance products will be subject to a sixty-day comment period, but not until the Product Standards Committee makes a recommendation to the Management Committee. Ms. Schutter stated that it will be discussed on at least one public call of the Product Standards Committee prior to being recommended to the Management Committee. There were no further questions. Commissioner Cunningham asked for a motion from a member of the Management Committee to approve the Report of the Product Standards Committee, including accepting and publishing the recommendation for notice and comment with regards to the proposed amendment to the core annuity Uniform Standards for interest on annuity death benefit proceeds. Mr. Chrysler moved and Mr. Sander seconded. There was no further discussion. Commissioner Cunningham called a roll call vote of the Commission to accept the recommendation of the Product Standards Committee. The motion passed.

Commissioner Cunningham proceeded to the next agenda item and asked Mr. Beatty to provide the report and recommendation of the Rulemaking Committee. Mr. Beatty reported that the Rulemaking Committee brought forth two recommendations to the Management Committee. Mr. Beatty stated that the Rulemaking Committee held a public call on May 23rd to receive comments on the two recommendations, and finalized the recommendations during a member call on June 19th. Mr. Beatty reported that the *Guidelines for Input by the Office of the Interstate Insurance Product Regulation Commission in Third-Party Litigation* recommended by the Rulemaking Committee focus on criteria for seeking leave to file an amicus brief in a matter, and criteria for providing factual information for pre-trial motions or discovery. Mr. Beatty stated that the second recommendation is for proposed amendments to the *Bylaws of the Interstate Insurance Product Regulation Commission*. Mr. Beatty reported that the Insurance Compact Office brought five areas for amendments forward to the Rulemaking Committee, some of which were suggested by outside counsel to further strengthen the Commission's position as a Section 115 tax-exempt entity, while others address practical issues such as the current requirement that a proxy be designated for each meeting. Mr. Beatty stated that the Rulemaking Committee recommends that the proposed *Guidelines for Input by the Office of the Interstate Insurance Product Regulation Commission in Third-Party Litigation* and the proposed amendments to the *Bylaws of the Interstate Insurance Product Regulation Commission* be published for notice and comment and added to the agenda at the August 5th in-person meeting for further comment and discussion. Mr. Beatty also reported that the Rulemaking Committee will continue work on a review of the Mix and Match procedures. Mr. Beatty concluded the report of the Rulemaking Committee and there were no further questions. Commissioner Cunningham then called for a motion from a member of the Management Committee to expose the recommendations of the Rulemaking Committee for notice

and comment. Ms. Mealer moved and Ms. Froment seconded. There was no further discussion. Ms. Schutter took a roll call vote of the Management Committee and the motion passed.

Commissioner Cunningham proceeded to the next agenda item and requested a joint motion of the Management Committee and Commission to adopt the meeting minutes of the April 7th Joint Meeting of the Management Committee and Commission. Mr. Record moved and Director Cameron seconded. Commissioner Cunningham called for a voice vote. The motion carried, and the meeting minutes were adopted.

Commissioner Cunningham moved to the next agenda item and asked Ms. Schutter to provide an operational update. Ms. Schutter reported that Connecticut will be an official member of the Insurance Compact on July 1st, and that July 18th is the first day for filers to add Connecticut to filings. Ms. Schutter stated that Connecticut has opted out of the Long-Term Care and Disability Income Insurance Uniform Standards. Ms. Schutter then provided an update on the Compact legislation pending in the District of Columbia and in New York. Ms. Schutter reported that the Insurance Compact Office received its first in-force rate increase filing. Ms. Schutter stated that because the amount of the request exceeded the 15% threshold set by the *Rate Filing Standards for Individual Long-Term Care Insurance – Issue Age Rate Schedules Only*, the Insurance Compact Office performed an advisory review and issued an Advisory Finding Report, and then an Addendum to the Report. Ms. Schutter stated that under Section 4 of the Rate Filing Standards, the Advisory Finding Report is not binding on the Compacting States and the Compacting States perform their own review using their applicable state laws, regulations and processes. Ms. Schutter reported that the company is in the process of making those state filings and announced that the Insurance Compact Office will provide a webinar for Compacting States with greater detail. Ms. Schutter reported that the Compact has reached 99% of budgeted revenue through the end of May, and is 6% under budget. Ms. Schutter summarized upcoming public meeting of the Commission and its Committees, and announced that this month marks the 10th anniversary of the Insurance Compact's first product filing. There were no questions for Ms. Schutter.

As there were no other matters, Ms. Mealer moved to adjourn. Director Cameron seconded and the meeting was adjourned.