



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

**Friday, August 12, 2022  
6:45 pm ET / 5:45 pm CT / 4:45 pm MT / 3:45 pm PT**

**AGENDA**

1. Roll Call
2. Update on Compact Activities
3. Commission Consideration of Adoption of the Insurance Compact Position Statement 1-2022
4. Management Committee and Commission Consideration of Phase 9 Five Year Review Amendments to Certain Uniform Standards
5. Audit Committee Selection of the Independent Audit Firm for 2022-2027
6. Report and Recommendation of the Governance Committee
7. Public Hearing on the Proposed Operating Procedure for the Use of Compact-Approved Products for Groups Other Than Employer Groups
8. CONSENT AGENDA: Joint Action Item by the Management Committee and Commission to Adopt Noncontroversial Reports and Minutes of the Management Committee and the Commission.
9. Any Other Matters
10. Adjourn

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

Commissioner Kathleen A. Birrane, Chair, Maryland

Director Eric Dunning, Vice Chair, Nebraska

Commissioner Allan McVey, Treasurer, West Virginia

Superintendent Elizabeth Kelleher Dwyer, Rhode Island

Director Lori Wing-Heier, Alaska

Erin Klug as a designated representative for Director Evan Daniels, Arizona

Jimmy Harris as a designated representative for Commissioner Alan McClain, Arkansas

Peg Brown as a designated representative for Commissioner Michael Conway, Colorado

Paul Lombardo as a designated representative for Commissioner Andrew Mais, Connecticut

Howard Liebers as a designated representative for Commissioner Karima Woods, District of Columbia

Steve Manders as a designated representative for Commissioner John King, Georgia

Martha Im as a designated representative for Commissioner Colin Hayashida, Hawaii

Shannon Hohl as a designated representative for Director Dean Cameron, Idaho

Jeff Varga as a designated representative for Director Dana Popish Severinghaus, Illinois

Commissioner Doug Ommen, Iowa

Andria Seip, Iowa

Julie Holmes as a designated representative for Commissioner Vicki Schmidt, Kansas

Commissioner Sharon P. Clark, Kentucky

Commissioner James Donelon, Louisiana

Acting Superintendent Tim Schott, Maine

Nour Benchaaboun, Maryland

Alex Borkowski, Maryland

Sheri Cullen as a designated representative for Commissioner Gary Anderson, Massachusetts

Karen Dennis as a designated representative for Director Anita G. Fox, Michigan

Jo LeDuc as a designated representative for Director Chlora Lindley-Myers, Missouri

Laura Arp, Nebraska

Director Barbara Richardson, Nevada

Jason Dexter as a designated representative for Commissioner Chris Nicolopoulos, New Hampshire

Commissioner Marlene Caride, New Jersey

Patrick Zeller as a designated representative for Superintendent Russell Toal, New Mexico

Ted Hamby as a designated representative for Commissioner Mike Causey, North Carolina

Director Judith French, Ohio

Daniel Bradford, Ohio

Commissioner Glen Mulready, Oklahoma

Director Andrew Stolfi, Oregon

Commissioner Michael Humphreys, Pennsylvania

Shannen Logue, Pennsylvania

Brian Hoffmeister as a designated representative for Commissioner Carter Lawrence, Tennessee

Chris Herrick as a designated representative for Commissioner Cassie Brown, Texas

Commissioner Jonathan Pike, Utah

Tanji Northrup, Utah

Kevin Gaffney as a designated representative for Commissioner Michael Pieciak, Vermont

Mary Block, Vermont

Don Beatty as a designated representative for Commissioner Scott A. White, Virginia  
Molly Nollete as a designated representative for Commissioner Mike Kreidler, Washington  
Erin Hunter, West Virginia  
Commissioner Nathan Houdek, Wisconsin  
Rebecca Rebholz, Wisconsin  
Commissioner Jeff Rude, Wyoming

**Legislative Committee:**

Representative Matt Lehman, Indiana  
Representative Jim Dunnigan, Utah  
Representative Deborah Ferguson, Arkansas  
Senator Laura Fine, Illinois  
Tom Considine, National Council of Insurance Legislators

**Consumer Advisory Committee:**

Brendan Bridgeland  
Jane Cline  
Fred Nepple  
Bruce Ramge

**Industry Advisory Committee:**

Anne Correia, Allianz  
Andrea Davey, Athene  
Wayne Mehlman, ACLI  
Joseph Muratore, NY Life  
Sarah Wood, IRI  
Amanda Herrington, AHIP  
Meghan Gale, NAIFA

**Insurance Compact Staff in Attendance:**

Karen Schutter, Executive Director  
Becky McElduff, Director of Product Operations & Chief Counsel  
Sara Dubsky, Assistant Director of Administrative Operations  
Joe Bonfitto, Product Reviewer  
Mindy Bradford, Product Reviewer  
Ed Charbonnier, Product Reviewer  
Jeanne Daharsh, Actuary  
Susan Ezalarab, Regulatory Coordinator Consultant  
Karen Givens, Senior Product Reviewer & Manager  
Naomi Kloppersmith, Actuary  
Sarah Neil, Communications and Outreach Coordinator  
Hanna Steen, Administrative Coordinator

Commissioner Birrane called to order the Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission (Insurance Compact or Commission). Ms. Schutter took the roll call of the: Management Committee, Commission, Legislative Committee,

and Industry and Consumer Advisory Committees.

Commissioner Birrane recognized the members of the Legislative Committee in attendance. She reported both NCSL and NCOIL recently passed resolutions reaffirming their support for the Insurance Compact as the key state-based initiative and support of the Position Statement. Commissioner Birrane asked if any legislators had any comments. Representative Lehman noted that NCOIL appreciated the important issues before the Commission, and he looks forward to the continued collaboration. There were no other comments.

Commissioner Birrane proceeded to the next item on the Agenda and provided an update on recent activities of the Compact. She reported a Value of Services report has been generated for each state and distributed these at the Commissioner Conference in June. It was explained these reports provide an estimate on the value of membership in the Compact and the details on filing activity and the most active filing companies per state. All states, regardless of the size, benefit from the Compact as the extension of rate and form filing functions. Commissioner Birrane noted the Roundtable held by the Compact Officers in New York City was successful. There were 40 in attendance which included 10 Commissioners, three state legislators, four industry association representatives, representatives from 12 companies and a member of the Consumer Advisory Committee. During the Roundtable, the perspectives on the Compact, as well as the strengths, challenges and next ideas were discussed. The key topics were uniformity, standards development and innovation. Commissioner Birrane noted all agreed uniformity was a foundational purpose but addressing the meaningful conflicts with certain state laws especially ones of political or legal necessity. Additionally, there was general agreement this Uniform Standards should be reviewed at least every five years, but there should be an opportunity to open the Standards in the interim. There was discussion as to how the Compact can assist the states with product reviews of non-Compact products. Commissioner Birrane reviewed the three takeaways from the Roundtable. The first was to have regular forum for dialogue between companies and industry and the Commissioner and their designated representatives about product development and changes or additions to the Uniform Standard. The second was to form a task force to outline the parameters of an adjunct services office within the Compact to facilitate review of products not yet within scope of the Uniform Standards. The third is to continue to conduct the Compact Roundtables across the country. There were no comments.

Commissioner Birrane moved to the next item on the Agenda, the adoption of the Position Statement 1-2022. Commissioner Birrane explained the Position Statement was recommended by the Governance Committee. The Position Statement provides the analysis and acknowledges the Compact received congressional consent with a federal law was enacted by Congress in 2006 providing consent to the District of Columbia to join the Compact and delegating the powers thereunder to the Commission. Commissioner Birrane asked Director Dunning to provide a report of the work the Governance Committee took in developing the Position Statement.

Director Dunning reported the Governance Committee met in July to review the comments received during the public comment period. Comments were received from the ACLI, AHIP and members of the Consumer Advisory Committee. There were no changes proposed to the Position Statement.

Director Dunning noted with the Position Statement adopted, and the validity and effect of the Uniform Standards affirmed by the Commission, it is important to next work on flexibility and procedural safeguards are available to the states when a conflict arises between state law and the provisions within the Uniform Standards. Staying true to the core values of the Compact, the processes and procedures should be reviewed to make it possible for the states to petition the Commission when there is a conflict creating a legal concern in the state legislature or courts. Director Dunning concluded his report.

Commissioner Birrane asked for a motion from a Commission member to adopt the Position Statement 1-2022. Director French made the motion and Superintendent Dwyer seconded. The motion was adopted by voice vote. Missouri abstained.

Commissioner Birrane proceeded to the next item on the Agenda, the Management Committee and Commission consideration of Phase 9 Five Year Review Amendments to Certain Uniform Standards.

Ms. Schutter provided an overview of the five-year process for these particular standards. There were no questions or comments about the Uniform Standards.

Commissioner Birrane asked for a motion from a member of the Management Committee to adopt the amendments to the 10 Uniform Standards. Director Dunning made the motion and Commissioner Rude seconded. The amendments to the Uniform Standards were adopted by roll call vote.

Commissioner Birrane moved to the next item on the Agenda, the Audit Committee's selection of the independent audit firm. The purpose of this item is to provide the Audit Committee an opportunity to conduct a public meeting and to take action to select the next independent auditor.

Director Richardson provide an overview of the Committee's process ad recommendation. She asked if there were any comments. Hearing none, she asked if there was a motion from a member of the Audit Committee to adopt the firm of Rubin Brown. Commissioner Clark made the motion and Ms. Nolette seconded. The motion carried.

Commissioner Birrane proceeded to the report of the Governance Committee and asked Director Dunning to provide this report.

Director Dunning reported the Committee is forwarding the recommendation to consider certain amendments to the Uniform Standards to minimize the conflict between the two-year suicide exclusion period in the Uniform Standards and the one-year suicide exclusion in the statute in Colorado at issue in recent litigation. The Governance Committee has been focused on exploring the issue of congressional consent which was the crux of the Colorado Supreme Court ruling. Director Dunning noted the conflict that was the source of that case – the one-year suicide exclusion statute in Colorado – should not be overlooked. The Commission should see if the conflict not only for Colorado but for a few other states could be minimized.

The Product Standards Committee delivered its recommendation with respect to the proposed amendments to two areas in the life Uniform Standards where the suicide exclusion is referenced. The proposed amendment would prospectively recognize this state exception by continuing to keep the standard two-year suicide exclusion period unless the state where the policy is delivered or issued for delivery has a shorter period which would then apply. The Governance Committee accepted the PSC recommendation, but put the matter on hold to finalize and recommend the Position Statement. The Governance Committee has expressed its recommendation that the Commission work on procedures and processes to give states more flexibility to step out of or request amendments to the Uniform Standards for conflicts with political or legal ramifications to the states. As such, the Committee is recommending with respect to the change in the suicide exclusion provision as there is a member state, Colorado, with a binding court opinion and two other states where addressing this conflict would be meaningful. Importantly, the suicide exclusion affects all life Uniform Standards so opting out would not be a desirable solution for the affected states. This amendment is a benefit to the filing companies, as uncertainty still exists in Colorado given this is a binding court ruling from their supreme court. Director Dunning concluded the report asking the Management Committee consider this recommendation and publish the proposed amendments for a period of 90 days to make sure it is fully vetted before the Commission considers the proposed amendments for final action later this year.

Hearing no questions or comments, Commissioner Birrane asked if there was a motion to approve the Governance Committee recommendation. Commissioner McVey made the motion and Commissioner Carride seconded the motion. The motion was approved by voice vote.

Commissioner Birrane progressed to the public hearing on the proposed Operating Procedure for the Use of Compact-Approved Products for Groups Other Than Employer Groups. Commissioner Birrane asked Ms. Schutter to provide an overview of the proposed Operating Procedure and framework.

Ms. Schutter reported on the work the Rulemaking Committee undertook to provide the proposed Operating Procedure and framework. This is a Strategic Plan action item for the Rulemaking Committee which would provide for more group products to be filed and approved by the Compact. Ms. Schutter noted that the applicable group approvals still resides with the states and it is only the product which will be approved by the Compact.

Commissioner Birrane opened the floor for comment from the Commission members. Vermont expressed their concern for the inclusion of POE as employee groups. Portability trust definition is permitted for life but not disability income. The Department does plan to submit comments. Commissioner Pike asked for clarification on certificates and where they are issued. Ms. Klug asked for clarification regarding the process. Ms. Schutter responded the process would be similar to the current SOI process and a certification would be required of the companies. The company filer would need to certify the company is authorized to sell that particular group and action could be taken against the company by the state.

Mr. Mehlman noted the ACLI and member companies were supportive of the framework and the proposed Operating Procedure.

Mr. Tobin stated New York Life is supportive of the proposed Operating Procedure and framework and looks forward to filing group products with the Compact.

Commissioner Birrane noted the Management Committee is asking the Rulemaking Committee to review the comments made today as well as the written comments to be submitted by the deadline of September 18<sup>th</sup> and provide feedback on whether further changes are recommended.

Commissioner Birrane moved to the last item on the Agenda, and asked for a motion from a member of the Management Committee to adopt the consent report items – the reports of the Finance, Product Standards and Rulemaking Committees along with the Executive Director's report and the minutes from the June 28 joint meeting of the Management Committee and Commission. Director French made the motion and Mr. Beatty seconded the motion. The consent report item was adopted by voice vote.

Hearing no other matters, Commissioner Birrane asked if there was a motion to adjourn. Superintendent Dwyer made a motion to adjourn which was seconded by Commissioner Rude.