



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

**Tuesday, April 5, 2022
11 am ET / 10 am CT / 9 am MT / 8 am PT**

AGENDA

1. Roll Call
2. South Carolina Withdrawal
3. Commission Consideration of Adoption of the Proposed Amendments to the Compact Bylaws
4. Independent Auditor's Report and Presentation of 2021 Annual Report
5. Report and Recommendation of the Governance Committee and Consideration by the Commission to Adopt the Report and Recommendation of the Governance Committee
6. Insurance Compact Strategic Planning
7. CONSENT AGENDA: Joint Action Item by the Management Committee and Commission to Adopt Noncontroversial Reports and Minutes of the Management Committee and the Commission.
8. Any Other Matters
9. 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
Yada Horace as a designated representative for Commissioner Jim Ridling, Alabama
Jimmy Gunn, Alabama
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
Jason Lapham, Colorado
Paul Lombardo as a designated representative for Commissioner Andrew Mais, Connecticut
Tanisha Merced as a designated representative for Commissioner Trinidad Navarro, Delaware
Howard Liebers as a designated representative for Commissioner Karima Woods, District of Columbia
Steve Manders as a designated representative for Commissioner John King, Georgia
Kathleen Nakasone as a designated representative for Commissioner Colin Hayashida, Hawaii
Martha Im, Hawaii
Weston Trexler as a designated representative for Director Dean Cameron, Idaho
Jeff Varga as a designated representative for Director Dana Popish Severinghaus, Illinois
Alex Peck as a designated representative for Commissioner Amy Beard, Indiana
Commissioner Doug Ommen, Iowa
Andria Seip, Iowa
Craig Van Aalst as a designated representative for Commissioner Vicki Schmidt, Kansas
Julie Holmes, Kansas
Commissioner Sharon P. Clark, Kentucky
Tom Travis as a designated representative for 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
Tammy Lohman as a designated representative for Commissioner Grace Arnold, Minnesota
Director Chlora Lindley-Myers, Missouri
Jo LeDuc, Missouri
Commissioner Troy Downing, Montana
Kari Leonard, Montana
Laura Arp, Nebraska
Director Barbara Richardson, Nevada
Jason Dexter as a designated representative for Commissioner Chris Nicolopoulos, New Hampshire
Commissioner Marlene Caride, New Jersey
Jennifer Catechis 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

Tynesia Dorsey, Ohio
Theresa Schaefer, Ohio
Cuc Nguyen as a designated representative for Commissioner Glen Mulready, Oklahoma
Kurt Cagle, Oklahoma
Director Andrew Stolfi, Oregon
T.K. Keen, Oregon
Tashia Sizemore, Oregon
Shannen Logue as a designated representative for Commissioner Jessica Altman, Pennsylvania
Michael Wise as a designated representative for Director Ray Farmer, South Carolina
Shari Miles
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
Commissioner Mike Kreidler, Washington
Molly Nollete
Erin Hunter, West Virginia
Commissioner Nathan Houdek, Wisconsin
Commissioner Jeff Rude, Wyoming

Legislative Committee:

Representative Matt Lehman
Speaker Pro Tem Brian Patrick Kennedy
Representative Jim Dunnigan
Representative Deborah Ferguson
Senator Laura Fine
Assemblyman Roy Freiman

Consumer Advisory Committee:

Brendan Bridgeland
Jane Cline
Anna Howard
Yvonne Hunter
Fred Nepple
Bruce Ramge

Industry Advisory Committee:

Anne Correia, Allianz
Andrea Davey, Athene
Wayne Mehlman, ACLI
Joseph Muratore, NY Life
Sarah Wood, IRI

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 Kloeppersmith, 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 Representative Matt Dollar has resigned from the Georgia State Legislature and Representative Koenig has been appointed by NCSL to fill the vacancy. Commissioner Birrane asked Representative Lehman if he 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 the withdrawal of South Carolina from the Compact. It was noted House Bill 4832, an omnibus bill, is currently in the final steps before final passage. Once the legislation has been adopted, it will become effective upon the Governor's signature. Commissioner Birrane noted guidance has been issued by the Compact Office and is posted on the Compact's website, specifically under News and Announcements. Commissioner Birrane noted a stay of effectiveness needed to be enacted for South Carolina as the legislation is still pending. Superintendent Dwyer made the motion to stay the effectiveness of the *Standards for Filing Revisions to In-Force Rate Increase Schedules for Individual Long-Term Care Insurance* for 120 days. Commissioner McVey seconded the motion. Hearing no additional comments, a voice vote was conducted. The motion passed.

Commissioner Birrane advanced to the next item on the Agenda, the consideration of adoption of the proposed amendments to the Compact Bylaws. Commissioner Birrane provided a brief overview of the proposed amendments and noted during the December 2021 joint meeting, the Governance Committee recommended the proposed amendments as a result of the independent governance review conducted by Squire Patton Boggs in 2020. Commissioner Birrane asked Ms. Schutter to provide an overview of the amendments. Director Richardson inquired about the amendments regarding the past chair and wanted to confirm if it was intended to be the most immediate past chair. Ms. Schutter confirmed that it was to be the most immediate past chair. If

the Commissioner, who served as the most immediate past chair, was no longer available, then the position would be vacant. Hearing no other comments, Commissioner Birrane asked if there was a motion to adopt the Bylaw amendments. Director French made the motion and Mr. Beatty seconded. A voice vote was conducted and the motion passed.

Commissioner Birrane proceeded to the presentation of the 2021 Audit Report. Director Richardson was asked to provide a report of the Audit Committee and reported the Commission received an unqualified opinion from the independent auditors, RSM. Director Richardson reported the Committee met with RSM on March 17th to receive the audit opinion along with the supplemental letters noting no deficiencies in the Commission's internal control structure or disagreements, issues, or concerns with management. Director Richardson noted some financial highlights and reported the Commission ended the year with positive net revenue of \$790,016. The Commission exceeded its revenue by 14% due to companies making life filings to amend their nonforfeiture rate ahead of the January 1, 2022 deadline. Additionally, there were significant expense savings in the amount of \$227,431. A large part of these savings is attributed to travel-related cost savings due to Covid-19 restrictions. Director Richardson concluded the Report of the Audit Committee and noted through February, the Compact is 6% under revenue budget and 16% under budgeted expenses. There were no comments.

Commissioner Birrane noted the 2021 Annual Report will be released electronically and will be available on the Compact's website. Additionally, the Compact Office will provide an electronic version of the Report to each Governor and the legislative leaders as required by the Compact statute. Members will be provided with an advance copy of the communication before the Compact Office issues it.

Commissioner Birrane moved to the next item on the Agenda and asked Director Dunning to provide the report and recommendation of the Governance Committee. Director Dunning provided a brief update on the recent activities of the Governance Committee. He reported the Committee would like to recommend the draft position statement on the issue of implied congressional consent to the Commission. Director Dunning referenced the Colorado Supreme Court's April 2020 ruling that without congressional consent, it's legislature could not delegate to an interstate agency the power to adopt a standard that conflicts with a state statute. In 2020, an independent governance review was conducted by Squire Patton Boggs and during this review, it was concluded the Commission had a compelling case that it received implied congressional consent in 2006 when a federal law was enacted authorizing the District of Columbia to join this Compact and delegate the power under the Compact to the Commission. Squire Patton Boggs recommended the Commission develop and adopt an Advisory Opinion to acknowledge Congress gave this form of congressional consent even before the Compact was operational. The Governance Committee developed the draft advisory opinion, now being called a position statement, and is recommending the Management Committee publish this position statement for a comment period before being adopted by the Commission later this year.

Representative Lehman stated NCOIL was developing a resolution and was in support of this position statement.

Hearing no other comments, Commissioner Pike made a motion to adopt the report and

recommendation of the Governance Committee; Director Wing-Heier seconded the motion. A voice vote was conducted, and the motion was adopted.

Commissioner Birrane moved to the next item on the Agenda and provided an update on the process under the current strategic plan and to outline the process for the next three-year strategic plan. Commissioner Birrane reviewed the three priorities adopted with the first strategic plan adopted in 2019. The three priorities are: uniform standards states support and companies willingly used, nationally recognized regulatory review process, and resource for Compacting States, regulated entities and consumers. Under the three priorities, there were 28 action items. Commissioner Birrane noted the Commission is on track to have deliverables for each of these action items. In addition to the identified action items, the Commission is working on addressing deliverables arising out of the independent business assessment and governance review. Commissioner Birrane asked Ms. Schutter to provide an overview of the status of the current strategic plan. Ms. Schutter provided a brief overview of the outstanding action items currently in progress this year along with the governance recommendations.

Mr. Bridgeland asked with mix and match continuing to decline, will it be necessary. Ms. Schutter replied that this is something the Commission is reviewing this year.

Ms. Schutter outlined the timeline proposed for conducting this work in 2022. Ms. Schutter noted it would start with a survey of the Commissioner and their designated representatives, the Legislative Committee, Consumer and Industry Advisory Committees, and the company filers. The various Committees are discussing strategic planning to provide input into the development of the proposed goals and action items that should be incorporated into the next Strategic Plan. During the summer, the commission will devote time to strategic planning to affirm or change the priorities and objectives and generate discussion on proposed action items. The draft action items for the next strategic plan will be published in September in order to adopt in December. There were no questions or comments.

Commissioner Birrane proceeded to the Consent Agenda item and asked for a motion to adopt the reports of the Finance, Product Standards, and Rulemaking Committees along with the meeting minutes from the December 12, 2021 and March 29, 2022 meetings. Commissioner Caride made the motion and Commissioner McVey seconded. There were no comments. A voice vote was conducted and the motion carried.

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.