



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

Monday, June 29, 2020

1:30 pm ET / 12:30 pm CT / 11:30 am MT / 10:30 am PT / 9:30 am AKT / 7:30 am HT

1. Roll Call
2. Report and Recommendation of the Finance Committee
3. Management Committee and Commission Consideration of Amendment to the 2020 Annual Budget for the Business Assessment and Governance Review Projects in the *Insurance Compact Compass*, Priority III, Action Items 8 and 10
4. Report of the Governance Review Committee
5. Update on Implementation of the Insurance Compact Strategic Plan: *The Insurance Compact Compass*
6. Reports of the Product Standards and Rulemaking Committees
7. Management Committee and Commission Consideration of Committee Reports and Adoption of Meeting Minutes of the May 4, 2020 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 29, 2020**

Members of the Commission and Department Staff in Attendance:

Superintendent Elizabeth Kelleher Dwyer, Chair, Rhode Island
Commissioner Mark Afable, Vice Chair, Wisconsin
Director Robert H. Muriel, Treasurer, Illinois
Steve Ostlund as a designated representative for Commissioner Jim Ridling, Alabama
Yada Horace, Alabama
Sarah Bailey as a designated representative for Director Lori K. Wing-Heier, Alaska
Mayumi Gabor, Alaska
Jacob Lauten, Alaska
Commissioner Alan McClain, Arkansas
Bill Lacy, Arkansas
Sterling Gavette, Arizona
Erin Klug, Arizona
Brooke Lovallo, Arizona
Jason Lapham as a designated representative for Commissioner Michael Conway, Colorado
Paul Lombardo as a designated representation for Commissioner Andrew N. Mais, Connecticut
Howard, Liebers, 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
Kathleen Nakasone, Hawaii
Jeff Varga, Illinois
Alexandria Peck as a designated representative for Commissioner Stephen W. Robertson, Indiana
Amy Beard, Indiana
Andria Seip as a designated representative for Commissioner Doug Ommen, Iowa
Commissioner Vicki Schmidt, Kansas
Commissioner Sharon P. Clark, Kentucky
Malinda Shepherd, Kentucky
Tom Travis as a designated representative for Commissioner James Donelon, Louisiana
Superintendent Eric A. Cioppa, Maine
Tim Schott, Maine
Nour Benchaaboun as a designated representative for Commissioner Kathleen A. Birrane, Maryland
David Cooney, Maryland
Sheri Cullen as a designated representative for Commissioner Gary D. Anderson, Massachusetts
Karen Dennis as a designated representative for Director Anita G. Fox, Michigan
Tammy Lohmann as a designated representative for Commissioner Steve Kelley, Minnesota
Bob Williams as a designated representative for Commissioner Mike Chaney, Mississippi
Director Chlora Lindley-Myers, Missouri
Camille Anderson-Weddle, Missouri
Tiffany Caverhill as a designated representative for Commissioner Matthew Rosendale, Montana
Director Bruce R. Ramge, Nebraska
Martin Swanson, Nebraska
Jason Dexter as a designated representative for Commissioner Chris Nicolopoulos, New Hampshire
Commissioner Marlene Caride, New Jersey
Phillip Gennace, New Jersey

Robert Doucette as a designated representative for Superintendent Russell Toal, New Mexico
Mark Hendrick, New Mexico
Brittany O'Dell, New Mexico
Director Jillian Froment, Ohio
Amanda Baird, Ohio
Lori Barron, Ohio
Cuc Nguyen as a designated representative for Commissioner Glen Mulready
Andrew Schallhorn, Oklahoma
Commissioner Andrew Stolfi, Oregon
TK Keen, Oregon
Tracie Gray as a designated representative for Commissioner Jessica K. Altman, Pennsylvania
Tom Kilcoyne, Pennsylvania
Matthew Gendron, Rhode Island
Sarah Neil, Rhode Island
Shari Miles as a designated representative for Director Raymond Farmer, South Carolina
Michael Wise, South Carolina
Commissioner Hodgen Mainda, Tennessee
Brian Hoffmeister, Tennessee
David Combs, Tennessee
Commissioner Kent Sullivan, Texas
David Bolduc, Texas
Libby Elliott, Texas
Richard Gober, Texas
Richard Lunford, Texas
Michael Nored, Texas
Robert Simmons, Texas
Barbara Snyder, Texas
Tanji Northrup as a designated representative for Commissioner Todd E. Kiser, Utah
Tomasz Serbinowski, Utah
Don Beatty as a designated representative for Commissioner Scott A. White, Virginia
Mike Bryant as a designated representative for Commissioner Mike Kreidler, Washington
Molly Nollette, Washington
Commissioner James A. Dodrill, West Virginia
Tonya Gillespie, West Virginia
Joylynn Fix, West Virginia
Lisa Brandt, Wisconsin
Rebecca Rebholz, Wisconsin
Commissioner Jeff Rude, Wyoming
Amanda Tarr, Wyoming

Members of the Legislative Committee in Attendance:

Representative Brian Patrick Kennedy, Rhode Island
Heather Morton, National Conference of State Legislators

Members of the Industry Advisory Committee in Attendance:

Michael Hitchcock, Pacific Life Insurance Company
Wayne Mehlman, ACLI
Charles Perin, Nationwide
Shawn Pollock, Mutual of Omaha
Gary Sanders, NAIFA

Members of the Consumer Advisory Committee in Attendance:

Yvonne Hunter
Andrew Sperling, NAMI

Insurance Compact Staff in Attendance:

Karen Schutter, Executive Director
Becky McElduff, Director of Product Operations & Chief Counsel
Sara Dubskey, Assistant Director of Administrative Operations
Ed Charbonnier, Product Reviewer
Jeanne Daharsh, Actuary
Sue Ezalarab, Regulatory Coordinator Consultant
Karen Givens, Senior Product Reviewer
Naomi Kloepersmith, Actuary
Maureen Perry, Product Review Consultant
Hanna Steen, Administrative Assistant

Interested Parties in Attendance:

Melissa Clines, Nationwide
Jim Frasier, Northwestern Mutual
Bianca Gagnon, Pacific Life Insurance Company
Craig Hopkins, Pacific Life Insurance Company
Barbara Janowski, Gleaner Life
Christine Kelly, NTA Life
Robin Lee, Pacific Life Insurance Company
David Milligan, American Equity Investment
Joseph Muratore, New York Life Insurance Company
Marie Roche, John Hancock Life Insurance Company
Amanda Weaver, John Hancock Life Insurance Company

Superintendent Dwyer 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.

Director Muriel provided the report of the Finance Committee at the request of Superintendent Dwyer. The Director noted that the Finance Committee has a recommendation to bring to the Management Committee to amend the 2020 Annual Budget. This amendment is to add \$400,000 to the Professional Services line for the purposes of funding the strategic projects for a governance review and a business assessment. Director Muriel provided an overview of the current financials through the end of May. He noted that the Compact has \$808,000 in revenues over expenses. A large part of this is due to the significant savings in travel due to COVID-19 restrictions and three vacancies – two due to attrition and one not yet filled. Actual expenses are \$150,000 under budget. In May, the Compact made the first annual payment on the restructured debt to the NAIC in the amount of \$274,013. Director Muriel further explained that the funding for these projects will result in the annual budgeted expenses over revenues of approximately \$196,000 and that the positive net revenue from 2019 would address this operating budget deficit. Director Muriel concluded his report; there were no questions. Superintendent Dwyer noted these reviews will be extremely useful for the Compact and the members as they will allow the Compact members to navigate the Compact's future.

Superintendent Dwyer asked for a joint motion to adopt the Finance Committee's recommendation to amend the 2020 Annual Budget and add \$400,000 to the Professional Services line. The motion was made by Commissioner Afaible and seconded by Commissioner Dodrill. A voice vote was conducted with all in favor. Indiana abstained.

Superintendent Dwyer proceeded to the report of the Governance Review Committee. The Committee has been meeting on a routine basis to review the proposals submitted for the Governance Review and the Business Assessment. Additionally, the Committee has been coordinating a response to the Colorado Supreme Court's decision. The Compact Office, at the direction of the Committee, will be gathering information from the regulators and company filers pertaining to the key differences between the statutory provisions in the Compacting States and the provisions in the Uniform Standards. Superintendent Dwyer noted a chart would be developed to help understand the key differences with the goal to present the comparative analysis at the August meeting. Additionally, the Committee has asked the Compact Office to seek legal analysis on the impact of the ruling and analysis. Outside counsel will be engaged with their findings expected by the end of the summer.

Superintendent Dwyer noted that nine firms submitted proposals for the Governance Review and 10 firms submitted for the Business Assessment. Currently, the Committee is engaged in the selection process with intent to make a final selection by Friday, July 10th. Once the selection has been made, the selection will be announced. It is expected that both engagements will involve independent outreach to a representative group of members as well as company filers, members of the Legislative Committee and both advisory Committees. There were no questions for Superintendent Dwyer.

Superintendent Dwyer asked Karen Schutter to provide a report on the implementation of the Compact's Strategic Plan. Ms. Schutter noted that two items were completed – the open meetings for Other Committees and the repayment of the line of credit to the NAIC. Ms. Schutter provided an overview of

the tools available on the website and highlights of current projects. There were no questions or comments for Ms. Schutter.

Superintendent Dwyer asked for the report of the Product Standards Committee (PSC) and asked Mr. Lapham to provide the report. Mr Lapham noted the PSC has been reviewing the comments submitted by the ACLI regarding the amendments to the *Additional Standards for Waiver of Premium*, and the *Additional Standards for Waiver of Monthly Deductions* and the *Additional Standards for Wavier of Surrender Charge Benefit for Life Insurance*. Additionally, the PSC is reviewing the first assignments from the Strategic Plan regarding the notices pertaining to Uniform Standards development with the intent to make the notices easier to follow. Mr. Lapham noted the Committee will be starting the 5-year review of the group term life Uniform Standards as well as the *Additional Standards for Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities*. Mr. Lapham noted that the comment period for these Uniform Standards has concluded. Mr Lapham concluded his report by noting the work of the PSC could be followed by reviewing the Call Summaries posted on the Compact website. There were no questions or comments for Mr. Lapham.

Superintendent Dwyer asked Commissioner Stolfi to provide the report of the Rulemaking Committee. Commissioner Stolfi noted that the Committee has been meeting to review the Strategic Plan action items, namely whether to expand the types of groups available for filing, other than the employer groups which are already built into the Uniform Standards, for group life, disability income and annuities. A background briefing was provided by the Compact Office regarding the request to accommodate group types other than employer/employee. The Committee has agreed to issue a survey to issue to the Compact Members as well as the industry to obtain a better understanding how the non-employer groups are reviewed and regulated as well as from the industry as to how they are filed and marketed. Commissioner Stolfi noted the survey will be open for response for 45 days. Commissioner Stolfi reported the Committee has begun work on the request from Superintendent Dwyer to review the notices that are issued by the Compact Office with regard to Uniform Standards adoption and the right to opt out. The Compact Office provided an overview to the Committee on the various notices. Commissioner Stolfi concluded his report and noted call summaries are available on the Compact website.

Superintendent Dwyer asked if there was a motion from a member of the Management Committee to adopt the reports of the Governance Review, Product Standards, and Rulemaking Committees. Commissioner Dodrill made the motion; Commissioner Caride seconded the motion. A voice vote was conducted; all were in favor.

Superintendent Dwyer asked for a motion from a member of the Management Committee to adopt the meeting minutes from the May 4th joint meeting of the Management Committee and Commission. Commissioner Dodrill made the motion; Commissioner Afable seconded. A voice vote was conducted, and the Meeting Minutes were adopted.

Superintendent Dwyer asked Ms. Schutter provide a report on current Compact operations. Ms. Schutter noted the product statistics through the end of May have been updated on the website. The summer meeting will not take place in-person, but rather virtually in conjunction with the NAIC's summer meeting. The joint meeting will take place on Friday, August 14th at 4 pm ET / 3 pm CT. Ms. Schutter reported that the Consumer Advisory Committee has been working on selection criteria for the Management Committee's consideration. The process will be sent out in advance of the next meeting for

consideration. There are currently three open seats on the Committee. If anyone knows of anyone who would be interested in serving on the Committee, please reach out to the Compact Office. Ms. Schutter provided an update on the role of the Compact in supporting a pilot under the direction of the NAIC's LTC Task Force and the multi-state actuary review process. Ms. Schutter concluded her report noting that the Compact Office will be reaching out to the Compact Members regarding state variations with the Uniform Standards. There were no questions for Ms. Schutter.

Superintendent Dwyer noted that the multi-state review process is not binding, it is simply a way to review the LTC rates in a group with the Compact framework being used for this process. Superintendent Dwyer reiterated the request to fill the three empty seats on the Consumer Advisory Committee.

As there were no other matters to be brought before the Commission, the joint meeting of the Management Committee and Commission adjourned.