



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

ANNUAL MEETING OF THE COMMISSION

**Saturday, November 16, 2024
3 pm ET / 2 pm CT / 1 pm MT / 12 pm PT
Denver, CO**

AGENDA

1. **Roll Call**
2. **Strategic Plan Action**

Explanation: The Insurance Compact Office published the draft Compact 2023-2025 Strategic Plan – Compact Compass 2.0 – on October 23rd. The Commission will discuss and possibly consider adoption of the strategic plan, which includes action items to guide the Compact over the next three years and beyond.

3. **Management Committee and Commission Consideration of Adoption of the Amendments to Group Disability Income Standards and Group Policyholder Application Uniform Standards:** Consider for final action the proposed Amendments to the Group Disability Income Insurance Uniform Standards and the Group Policyholder Application Uniform Standards.

Explanation: The action item is to consider amendments to the amendments published on July 24th and September 16th. A Public Hearing took place on October 24th. The specific Group Disability Income Uniform Standards are provided below.

GROUP DISABILITY INCOME PRODUCT LINE

- Group Disability Income Policy and Certificate Uniform Standards
- Uniform Standards for Group Disability Income Insurance Enrollment Forms and Statement of Insurability Forms
- Uniform Standards for Group Disability Income Insurance Statement of Insurability Change Form
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Disability Income Insurance Policy Changes

- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Disability Income Insurance Certificate Changes
- Uniform Standards for Group Disability Income Insurance Initial Rate Filings
- Uniform Standards for Filing Revisions to Rate Filing Schedules in Group Disability Income Insurance Policies

4. Management Committee and Commission Consideration of Adoption of the Proposed 2025 Annual Budget and Schedule of Fees

Explanation: The action item is to consider for adoption the proposed 2025 Annual Budget and Schedule of Fees. Additional staff is being requested and there is a proposed realignment to the product filing fee structure for 2025.

5. Management Committee and Commission Consideration of Adoption of the Proposed 2025 Uniform Standards Development Prioritization

Explanation: The action item is to consider for adoption the proposed 2025 Uniform Standards Development Prioritization. The Product Standards Committee recommended this item on October 17th and the Management Committee held a public hearing at the October 24th meeting.

6. Report and Recommendation of the Adjunct Services Committee

Explanation: The Adjunct Services Committee has been working on a proposal for a pilot of a process for a collaborative regulatory review framework, utilizing the Compact platform and expertise, to review products and features within the Compact's authorized product lines but outside the existing Uniform Standards. The Adjunct Services Committee will provide an update on this work including a possible recommendation to initiate a pilot program.

7. Management Committee Consideration of Appointments to the Industry Advisory

Explanation: The action item is to consider the recommendation of the Compact Officers for appointments to four expiring seats on the Industry Advisory Committee. A more detailed memo will be sent to Commission members in advance of the meeting.

8. Commission Consideration of the Formation of Insurance Compact Management Committee and Other Committee Assignments

Explanation: The action item is formation of the Management Committee based on Article III, Section 1 of the Commission Bylaws and the recommendation of the Compact Officers for appointments/assignments of Commission member committees. A more detailed memo will be sent to Commission members in advance of the meeting.

9. Annual Election of the 2024/2025 Officers

Explanation: The action item is for the Commission to elect Chair, Vice Chair, and Treasurer for the upcoming annual period.

10. Consent Agenda: Joint Action Item by the Management Committee and Commission to Adopt Annual Treasurer's Report and Minutes of the October 24th Joint Meeting of the Management Committee.

Explanation: The action item is to consider adoption by consent the Annual Treasurer's Report and the Minutes of the last joint meeting and meeting of the Management Committee.

11. Executive Director's Operational Report

Explanation: The Executive Director will provide an update on the financial and operational activities of the organization.

12. Any Other Matters

13. Adjourn

Members of the Commission and Department Staff in Attendance:

Director Eric Dunning, Chair, Nebraska
Commissioner Allan McVey, Vice Chair, West Virginia
Director Barbara Richardson, Treasurer, Arizona
Director Elizabeth Kelleher Dwyer, Past Chair, Rhode Island
Commissioner Mark Fowler, Alabama
Director Lori Wing-Heier, Alaska
Commissioner Michael Conway, Colorado
Paul Lombardo as designated representative for Commissioner Andrew Mais, Connecticut
Jessica Luff as designated representative for Commissioner Trinidad Navarro, Delaware
Howard Liebers as designated representative for Commissioner Karima Woods, District of Columbia
Commissioner John King, Georgia
Shannon Hohl as designated representative for Director Dean Cameron, Idaho
Acting Director Ann Gillespie, Illinois
Commissioner Doug Ommen, Iowa
Craig Van Aalst as designated representative for Commissioner Vicki Schmidt, Kansas
Commissioner Sharon Clark, Kentucky
Tom Travis as designated representative for Commissioner Tim Temple, Louisiana
Tim Schott as designated representative for Superintendent Bob Carey, Maine
Commissioner Marie Grant, Maryland
Sheri Cullen as designated representative for Commissioner Michael Caljouw, Massachusetts
Bob Williams as designated representative for Commissioner Mike Chaney, Mississippi
Jo LeDuc as designated representative for Director Chlora Lindley-Myers, Missouri
Commissioner Scott Kipper, Nevada
Commissioner Justin Zimmerman, New Jersey
Commissioner Mike Causey, North Carolina
Ted Hamby as designated representative for Commissioner Mike Causey, North Carolina
John Arnold as designated representative for Commissioner Jon Godfread, North Dakota
Director Judith French, Ohio
Dan Bradford as designated representative for Director Judith French, Ohio
Commissioner Glen Mulready, Oklahoma
Commissioner Andrew Stolfi, Oregon
Commissioner Michael Humphreys, Pennsylvania
Shannen Logue as designated representative for Commissioner Michael Humphreys, Pennsylvania
Jill Kruger as designated representative for Director Larry Deiter, South Dakota
Stephanie Fagnani as designated representative for Commissioner Carter Lawrence, Tennessee
Commissioner Cassie A. Brown, Texas
Commissioner Jon Pike, Utah
Commissioner Kevin Gaffney, Vermont

Commissioner Scott A. White, Virginia
Ned Gaines as designated representative for Commissioner Mike Kreidler, Washington
Commissioner Nathan Houdek, Wisconsin
Commissioner Jeff Rude, Wyoming

Legislative Committee:

Indiana Matt Lehman, Indiana
Massachusetts Representative David LeBoeuf
Kentucky Representative Rachel Roberts
West Virginia Delegate Dean Jeffries
Heather Morton, NCSL
CEO Tom Considine, NCOIL

Consumer Advisory Committee:

Fred Nepple, Former Insurance Regulator
Brendan Bridgeland, Center for Insurance Research
Jane Cline, Former Insurance Commissioner
Eric Cioppa, Former Insurance Superintendent
Deb Darcy, American Kidney Fund
Anna Howard, Cancer Action Network
Chris Kite, Consumer Advocate
Dick Weber, Life Insurance Consumer Advocacy Center

Industry Advisory Committee:

Andrea Davey, Protective Life Insurance Company
Wayne Mehlman, ACLI
Jason Berkowitz, IRI
Amanda Herrington, AHIP
Mike Drislane, Brighthouse Financial
Joseph Muratore, New York Life

Insurance Compact Staff in Attendance:

Karen Schutter, Executive Director
Becky McElduff, Director of Product Review Operations & Counsel
Sara Dubsy, Assistant Director Administrative Operations
Susan Ezalarab, Consultant

Director Dunning called to order the Joint Meeting of the Management Committee and Commission. Ms. Schutter took the roll call of the Management Committee, the members of the Commission, Legislative Committee, and Industry and Consumer Advisory Committees. Director Dunning also welcomed members of the Legislative Committee: Indiana Representative Matt Lehman, Massachusetts Representative David LeBoeuf, Kentucky Representative Rachel Roberts, and West Virginia Representative Dean Jeffries. Director Dunning announced that there were two new members of the Legislative Committee, Delegate Jeffries and Representative LeBouef. Director Dunning reported that many there were in attendance for the Legislative Committee meeting and during the meeting reports were given on the Uniform Standards development activities, financial condition, product operations, and the work of the Adjunct Services Committee. Director Dunning asked Representative Lehman if he would like to give any remarks. Representative Lehman stated that he was pleased to be part of this state-based initiative and looks forward to the continued dialogue.

Director Dunning recognized Commissioner Mulready. Commissioner Mulready acknowledged NCOIL CEO Considine and thanked him for his tenure with NCOIL as he prepares for retirement.

Director Dunning proceeded to welcome the members of the Consumer Advisory and Industry Advisory Committees.

Director Dunning proceeded to the next item on the agenda, the strategic plan. Director Dunning stated that the Compact adopted its first formal strategic plan five years ago and work on that plan was completed at the end of 2023. The Compact has reaffirmed the three strategic priorities to guide the planning process. In April, the Compact officers published an initial draft of twenty-five proposed strategic goals for notice and comment. No written comments were submitted leading up to in-person meeting. During the Chicago meeting, Ms. Schutter walked through the strategic action items. Director Dunning asked for comments. Several states wanted the Compact to provide training and services to states because of many staffing shortages. The Consumer Advisory Committee emphasized the benefits for policyholders and consumer protection. The general agreement was that the proposed action items were the correct ones to build upon for the next strategic plan. The working group draft of the strategic plan, the *Insurance Compact Compass 2.0*, was published on October 23rd and written comments were due on November 12th. Written comments have been received from the ACLI. Director Dunning opened up the floor for comments.

Mr. Mehlman stated that the ACLI has four comments. The first relating to priority one, item number one relating to mix and match. The ACLI is seeking clarification as to whether previously filed state approved forms that are currently being utilized under mix and match will also have to be refiled through the Compact if there is now a related uniform standards. The second comment is related to priority one, item six, which relates to expanding the applicability and types of the

uniform standards to apply to more parts of the regulatory review and approval process. The ACLI would like to know if the Compact intends to create new uniform standards for the above-listed items which include advertisements, point of sale disclosures, and administrative forms and processes. If so, would that also include policy summaries and illustrations? The third comment relates to priority one, item seven, which relates to variations between the uniform standards and state statutes. The ACLI requests that the allowance of additional variations in the Compact uniform standards and forms be kept to a minimum and only approved under exceptional circumstances. The fourth comment relates to priority one, item five, which relates to the flexibility for state departments to exercise regulatory stays and opt outs to address conflicts. The ACLI understands the need for flexibility with regard to conflicts between the Compact uniform standards and state laws. The ACLI urges the Compact to discourage those states that have conflicts from considering the exercise of regulatory stays under opt outs. Director Dunning thank Mr. Mehlman and asked if there were any questions or comments from the Legislative Committee, Consumer Advisory Committee or members of the Compact. Seeing none, Director Dunning stated that many of the suggested items by the ACLI are all important to discuss when working on these proposed actions. Director Dunning asked for a motion from a member of the Commission to adopt the Commission's strategic plan, the *Insurance Compact Compass 2.0*. Commissioner McVey made the motion and Commissioner Fowler seconded. The motion carried by a voice vote of the Commission.

Director Dunning moved to the next item on the agenda, the Management Committee and Commission Consideration of Adoption of the Amendments to Group Disability Income Standards and Group Policyholder Application Uniform Standards. Director Dunning stated the Product Standards Committee has amendments to seven Uniform Standards for group disability income insurance products as well as the group policyholder application standard. Most of these amendments are to update the Uniform Standards for use with non-employer groups. The Product Standards Committee is recommending amendments to the Group Disability Income Standards as a result of the five year review process. All amended standards were published for a 60-day notice and comment period. A public hearing to receive oral comments occurred during the October 24th Joint Meeting. Comments were received from members of the industry and public during the meeting. The Product Standards Committee indicated they considered these comments in their recommendation and have not received any additional written comments during the rulemaking period, and these amendments are now ready for final action. Director Dunning asked if there were questions or comments before presenting the motion to adopt. Seeing none, Director Dunning stated that this being a joint action item, Director Dunning asked for a motion from a member of the Commission to adopt the amendments to the Group Disability Income Uniform Standards and the Group Policyholder Application Standards recommended by the Product Standards Committee. Director Gaffney made the motion and Commissioner McVey seconded. The motion carried by a majority vote of both the Management Committee and Commission.

Director Dunning moved to the next item on the agenda, Management Committee and Commission Consideration of Adoption of the Proposed 2025 Annual Budget and Schedule of Fees. Director Dunning stated that this agenda item is to consider the 2025 Annual Budget and Schedule of Fees, which includes a revenue alignment proposal and a request for a new position for a regulatory affairs director. The Finance Committee provided an overview of the budget, the revenue realignment proposal, and the staffing request during the October 24th joint meeting. During the meeting there was a public hearing on this matter. No written or oral comments regarding the budget package for next year have been received. These budget items were included in the meeting materials and are ready for action. Director Dunning asked if there were any questions. Seeing none, asked for a to adopt the 2025 Annual Budget and Schedule of Fees, which includes the revenue realignment proposal for the new full-time employee. Commissioner McVey made the motion and Commissioner King seconded. The motion was carried by voice vote of the Commission.

Director Dunning continued to the next item on the agenda, Management Committee and Commission Consideration of Adoption of the Proposed 2025 Uniform Standards Development Prioritization. Director Dunning stated annually on July 1st, the Product Standards Committee reviews all new requests for uniform standards and prioritizes their development for the coming year. This includes items that are on the priority list that will be carried over into the following year. This prioritization process goes through a similar consideration process as does the annual budget. The recommended list for 2025 is included in the meeting materials. The Product Standards Committee held a comment period including two public calls before sending the Uniform Standards to the Management Committee. The list was published for notice and comment and a hearing was held during the October 24th meeting. Director Dunning stated that there is an issue that needs addressed before it can be adopted. At the end of July, a joint comment letter from the ACLI and IRI, and the CAI was received by the Compact Office. This comment letter was raised during an August public call of the Product Standards Committee and at the October 24th joint meeting of the Management Committee and Commission. To summarize, the ACLI, IRI and CAI are requesting that the Individual Deferred Index Linked Variable Annuities Standards be reopened to amend section (3)(Z), which is the right to examine section. The ACLI, IRI and CAI want the Commission to urgently consider this matter.

The ACLI, IRI and CAI believe the provision written is different than what is allowed when filing directly with the states. This request was not raised during the rulemaking period before the Commission adopted this Uniform Standard earlier this year. Director Dunning indicated this issue does not rise to the level of emergency rulemaking for two reasons. The first being that an open rulemaking process was conducted before adoption; and, second the Compact has received several ILVA products that are either pending or have been approved, which comply with section 3(Z) as adopted. A suggestion has been made for amending the Product Standards Committee's recommended prioritization list to add this item, *Consider Changes to the ILVA Standard*. The

Compact Office may suggest amendments as a result of the review of the ILVA products in the coming months. Director Dunning asked if there were any comments or questions. Seeing none, Director Dunning asked for a motion to amend the recommended 2025 Uniform Standards Development Prioritization List to add an item titled *Consider Changes to the ILVA standard* with a medium to high priority and to adopt the amended prioritization list. Director Gillespie made the motion and Ms. Logue seconded. The motion carried by a majority vote of both the Management Committee and Commission.

Director Dunning continued to the next item on the agenda, Report and Recommendation of the Adjunct Services Committee. Director Dunning asked the chair of the Adjunct Services Committee, Director Richardson, to give a report on the committee. Director Richardson stated that the Adjunct Services Committee was formed to consider ideas generated through the Compact Roundtables and other strategic discussions. This committee has held three calls since the Commission's last in person meeting, including a public call on October 15th. The committee currently has three work streams. The first is to develop educational materials and training sessions for regulators on the Compact's authorized product lines. The Compact Office provided its Fall webinar series for regulator, filers and others. The Compact is working on a comprehensive training program for rate and form regulators starting with life insurance products which they hope to roll out early in 2025. At the end of August, the Adjunct Services Committee requested the Compact Office host monthly calls open to regulators in Compacting States to discuss questions and regulatory issues around Compact filings. These calls have been very well received as they provide a broad set of updates on the filing activities of the Compact and context for filings the states may receive for use with Compact filings. The other committee work streams look at what advisory or Adjunct Services the Compact office can provide to the states. The Compact has a filing platform that all Compacting States have access to, and has a staff of form reviewers and actuaries with expertise and experience in all of its authorized product lines. The Adjunct Services Committee is currently working on a recommendation for a pilot project where states can come together through the Compact's multi state platform to engage with companies that wish to get state approval of new or innovative products or features. The committee's focus is only on the product lines within the Compact.

This process will not involve approval by the Compact Office on the products that are outside of the adopted uniform standards. The framework is aimed at making the pre filing communication process between the states and the companies more efficient by going through this advisory review facilitated by the Compact's platform and expertise. The Adjunct Services Committee did a survey of states over the summer to understand the procedures and questions used when a company comes to them with a new product idea. The committee used this information to develop a framework and pre-filing questionnaire that was exposed for comment. During the NAIC's Insurance Summit, the Compact held a regulator only workshop at which time regulators provided even more feedback on this proposed framework. The committee held a call in mid-October to receive comments and has received a comment letter from NCOIL. During the Management

Committee meeting with the Legislative Committee, the letter was discussed. Director Dunning emphasized that this is an effort not intended to, nor will it result in expanding the Compact statute or the limited authority that was delegated to the Compact.

The proposed framework and pre-filing questionnaire were also discussed at the Compact Roundtable at the end of October in Omaha. This was the Compact's sixth roundtable since mid-2022. At the Omaha roundtable, there were close to 70 attendees including commissioners, regulators, state legislators, three consumer representatives along with company and industry representatives. The attendees provided feedback on the framework and the questionnaire. Attendees were also given a fictional product scenario and asked to apply the framework and questionnaire. The Adjunct Services Committee's next meeting will be in early December to consider the feedback from the public call and the Compact roundtable as well as NCOIL comments. The Adjunct Services Committee will be working closely with the Legislative Committee to ensure that they proceed within the purposes and authority granted under the Compact. The committee intends to have more opportunities for the industry and consumer input. Director Richardson thanked Ms. Logue for being a thought leader in envisioning how this process could benefit the Compacting States and an advocate for helping to bring this process to fruition. Director Richardson concluded her report. Director Dunning asked if there were any questions for Director Richardson. Seeing none, Director Dunning stated that since it was just a report a formal vote was not needed.

Director Dunning proceeded to the next item on the agenda, Management Committee Consideration of Appointments to the Industry Advisory Committee. Director Dunning stated the Bylaws provide the Industry Advisory Committee has eight seats with alternating two year terms. Four seats are open for appointments for the coming annual period. This year, one open seat is for an industry trade representative and three seats are for company representatives. A notice was sent last month seeking applications for those open seats and the recommendation was distributed to the Compact members in advance of this meeting. Director Dunning thanked Joseph Muratore of New York Life who has served four consecutive years on the IAC. The Officers recommend the following persons be appointed, Sarah Wood of the Insured Retirement Institute to the open industry trade seat and Eric Weinstein of Massachusetts Mutual for another two-year term. Ashley Beaudry of Brighthouse Financial and Andrew Baron of Lincoln Financial for their first two-year term on the IAC. Director Dunning asked if there were any questions in regard to the recommendation for appointments to the Industry Advisory Committee. Seeing none, Director Dunning asked for motion to adopt the Officer recommendation for the IAC appointments. Commissioner Brown made the motion and Commissioner Gaffney seconded. The motion carried by a voice vote of the Commission.

Director Dunning continued to the next item on the agenda, Commission Consideration of the Formation of Insurance Compact Management Committee and Other Committee Assignments.

Director Dunning states the next item is the composition of the Compact committee's assignments. The makeup of the Management Committee is based on the Bylaws. For the next annual period, the Management Committee will include: Arizona, Illinois, Massachusetts, Michigan, Nebraska, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, Vermont, Virginia, West Virginia, and Wyoming. Massachusetts and Michigan are coming onto the Management Committee for the upcoming annual period. Director Dunning thanked Minnesota and Georgia who were on the committee for the current annual period and are rolling off. Director Dunning then proceeded to the committee assignments for the upcoming period.

Director Dunning went on to state that the Committee preference requests were due by the end of October and every committee request received was able to be filled. The committee assignment recommendations were sent to members and their designated representatives in advance of this meeting. The committee leadership is the same, except for Commissioner Pike who is stepping down as chair of the Rulemaking Committee. Director Dunning thanked Commissioner Pike for his service on the Rulemaking Committee and expressed appreciation to Director Deiter and his team for stepping in as Chair of the Rulemaking Committee for the upcoming annual period. Director Dunning reminded members that whether on a committee or not, meetings of committees are open to all Compacting State regulators. All regulators are encouraged to provide input as a committee member or not. Director Dunning asked if there were any questions. Seeing none, Director Dunning asked for a motion to approve the formation of the Management Committee and the officer's recommendation for committee assignments. Mr. Lombardo made the motion to approve, and Director Pike seconded. The motion carried by a voice vote of the Commission.

Director Dunning continued to the next item on the agenda, Annual Election of the 2024/2025 Officers. Dunning stated that this item is for officer elections for the coming annual period and turned the floor over to Director Dwyer to conduct the elections of the Chair, Vice Chair and Treasurer. Director Dwyer stated that separate nominations and votes would be taken for each office. Director Dwyer opened the floor for nominations for the Office of Treasurer of the Commission. Commissioner McVey nominated Director Richardson, and the nomination was seconded by Commissioner Rude. A voice vote was taken, and Director Richardson was elected by acclamation as Treasurer of the Commission. Director Dwyer then opened up the floor for nominations for Office of Vice Chair of the Commission. Director Clark nominated Commissioner McVey, and the nomination was seconded by Director White. A voice vote was taken, and Commissioner McVey was elected by acclamation as Vice Chair of the Commission. Director Dwyer opened the floor nominations Office of Chair of the Commission. Director Mulready nominated Director Dunning, and the nomination was seconded by Director Stolfi. A voice vote was taken, and Director Dunning was elected by acclamation as Chair of the Commission.

Director Dunning continued to the next item on the agenda, Consent Agenda. Director Dunning stated this joint action to adopt the items on the consent agenda which are the October 24th Joint Meeting Minutes, Annual Treasurer's Report and the Product Standards Committee Report. Director Dunning stated that all members received the materials for the consent agenda items in advance of the meeting. Director Dunning asked for a motion to adopt the Consent Agenda. Director Richardson made the motion. The motion carried by a voice vote of the Commission.

Director Dunning continued to the next item on the agenda, Executive Director's Operational Report. Director Dunning asked Ms. Schutter to provide the Executive Director's Report. Ms. Schutter stated that she only had one update to which was a reminder to the members of the Commission of the invitation extended to them for the two in-person governance training sessions being conducted during the Denver Meeting. Session attendees would be hearing from outside counsel. The Governance Committee requested that all members and their designated representatives attend one of the 30- minute sessions being offered.

Before asking if there were any other matters to be brought before the Commission, Director Dunning recognized Commissioner Kreidler's upcoming retirement from office. Director Dunning noted Commissioner Kreidler for his record of distinguished service and work on behalf of policyholders in his home state of Washington and at the NAIC and Commission.

Hearing no other matters, Director Dunning asked for a motion to adjourn the meeting. Commissioner McVey made the motion and seconded by Director Richardson.