



MEETING OF THE
INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION

Tuesday, April 1, 2025
3 pm ET / 2 pm CT / 1 pm MT / 12 am PT

Via WebEx

AGENDA

1. **Roll Call**
2. **Commission Consideration of Request by Oregon for an Extension of its Stay of the Effectiveness for Oregon of two new Uniform Standards:** Consider a request by Oregon to extend its stay of the effectiveness of the following Uniform Standards for Oregon -- *Individual Deferred Index Linked Variable Annuity Contract Uniform Standards and Additional Standards for Market Value Adjustment Feature for Modified Guaranteed Annuities and Index Linked Variable Annuities*.

EXPLANATION: On January 23rd, the Division of Financial Regulation submitted a request to extend its stay of the *Individual Deferred Index Linked Variable Annuity Contract Uniform Standards* and the amendments to *Additional Standards for Market Value Adjustment Feature Provided Through a Separate Account*. The initial six-month stay was effective as of August 12, 2024. Oregon is conducting its process to opt out by regulation. Oregon is requesting a six month extension of its stay from the expiration of its original stay. The Commission will take action on this request.

3. **Report of the Audit Committee on the Independent Audit Report and Presentation of 2024 Annual Report**

EXPLANATION: The Audit Committee will provide a report of its activities and present to the Commission the 2024 Annual Report, which includes the Independent Audit Report. The Commission will take action to adopt the report.

4. **Report of the Management Committee**

EXPLANATION: The Management Committee is scheduled to meet on March 18th to address annual governance items. The Chair will report on the meeting. The Commission will take action to receive this report.

5. **Report of the Adjunct Services Committee on its 2025 Work Goals**

EXPLANATION: The Adjunct Services Committee will make a presentation on its activities for 2025. The Commission will take action to receive the report.

6. **Report of the Governance Committee and Consideration by the Commission to Adopt the Report and Recommendation of the Governance Committee**

EXPLANATION: The Governance Committee will provide a report of its activities and bring forth the charters of all the committees. The Commission will take action to receive the report.

7. **Commission Consideration of Amendments to Compact Banking Resolution**

EXPLANATION: The Commission will consider a resolution to change the second signatory on the Insurance Compact's commercial bank due to the retirement of NAIC COO/CLO Andy Beal. Per the resolution, Compact Executive Director and Secretary Karen Schutter and NAIC CFO James Woody, pursuant to the NAIC/IIPRC Services Agreement, will be listed as signatories to ensure the Insurance Compact continues to have two officers who can transact banking business with the Insurance Compact's commercial bank.

8. **Consent Agenda:** Adopt the Minutes from the November 2024 Joint Meeting of the Management Committee and the Commission.

EXPLANATION: This action item is to consider the Minutes of the November 16, 2024 Management Committee Meeting and the Joint Meeting.

9. **Executive Director's Operational Report**

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

10. **Any Other Matters**

11. **Adjourn**

Members of the Commission and Department Staff in Attendance:

Commissioner Allan McVey, Vice Chair, West Virginia
Matt Gendron as designated representative for Director Elizabeth Kelleher Dwyer, Past Chair, Rhode Island
Gio Espinosa as a designated representative for Director Barbara Richardson, Arizona
Yada Horace as a designated representative for Commissioner Mark Fowler, Alabama
Sarah Baliey as a designated representative for Director Lori K. Wing-Heier, Alaska
Sydney Sloan as a designated representative for Commissioner Michael Conway, Colorado
Howard Liebers as a designated representative for Commissioner Karima Woods, District of Columbia
Steve Manders as a designated representative for Commissioner John F. King, Georgia
Lisa Zarko, Hawaii
Director Dean Cameron, Idaho
Jeff Varga as a designated representative for Acting Director Ann Gillespie, Illinois
Jake Vermeulen as a designated representative for Commissioner Holly W. Lambert
Craig Van Aalst as a designated representative for Commissioner Vicki Schmidt, Kansas
Commissioner Sharon P. Clark, Kentucky
Joelle Craft as a designated representative for Commissioner Tim Temple, Louisiana
Tim Schott as a designated representative for Superintendent Robert Carey, Maine
Nour Benchaaboun as a designated representative for Acting Commissioner Marie Grant, Maryland
Sherri Cullen as a designated representative for Commissioner Michael T. Caljouw, Massachusetts
Julie Merriman as a designated representative for Director Anita Fox, Michigan
Tammy Lohmann as a designated representative for Commissioner Grace Arnold, Minnesota
Bob Williams as a designated representative for Commissioner Mike Chaney, Mississippi
Jo DeLuc as a designated representative for Director Angela L. Nelson, Missouri
Martin Swanson, Nebraska
Michael Fahnce as a designated representative for Commissioner Justin Zimmerman, New Jersey
Victoria Fowler as a designated representative for Commissioner DJ Bettencourt, New Hampshire
Tim Birch as a designated representative for Superintendent Alice Kane, New Mexico
Chrystal Bartuska as a designated representative for Commissioner Jon Godfread, North Dakota
Daniel Bradford as a designated representative for Director Judith French, Ohio
Brian Downs as a designated representative for Commissioner Mulready, Oklahoma
Tashia Sizemore as a designated representative for Commissioner Andrew Stolfi, Oregon
Shannen Logue as a designated representative for Commissioner Michael Humphreys, Pennsylvania
Jill Kruger as a designated representative for Director Larry Deiter, South Dakota
Roderick Brooks as a designated representative for Commissioner Carter Lawrence, Tennessee
Debra Diaz-Lara as a designated representative for Commissioner Cassie A. Brown, Texas
Commissioner Jon Pike, Utah
Mary Block as a designated representative for Acting Commissioner Sandy Bigglestone, Vermont
Mary Ashby Brown as a designated representative for Commissioner Scott A. White, Virginia
Ned Gaines as a designated representative for Commissioner Patricia Kuderer, Washington
Rebecca Rebholz as a designated representative for Commissioner Nathan Houdek, Wisconsin
Commissioner Jeff Rude, Wyoming

Legislative Committee:

Representative Ellen Hefner, Oklahoma
Representative James Dunnigan, Utah

Consumer Advisory Committee:

Chris Kite, Consumer Advocate

Dick Weber, Life Insurance Consumer Advocacy Center (LICAC)

Industry Advisory Committee:

Andrew Barron, IFG

Ashley Beaudry, Brighthouse Financial

Wayne Mehlman, ACLI

Sarah Wood, IRI

Insurance Compact Staff in Attendance:

Karen Schutter, Executive Director

Becky McElduff, Director of Product Review Operations & Counsel

Sara Dubskey, Assistant Director of Administrative Operations

Sarah Neil, Communications and Outreach Coordinator

Cara Shackelford, Regulatory Research Specialist

Sue Ezalarab, Regulatory Coordinator Consultant

Karen Givens, Assistant Director - Product Review Operations

Alisha Williams, Intake Coordinator

Kent Holbrook, Actuary Reviewer III

Joe Bonfitto, Product Reviewer

Jenny Sieben, Product Reviewer II

Rachael Morisseau, Project Coordinator

Mindy Bradford, Senior Product Reviewer and Trainer

Aimee Lawson, Product Reviewer

Commissioner McVey called to order the meeting of the Commission. Commissioner McVey asked Ms. Schutter to take a roll call of the Commission, Legislative, Industry Advisory and Consumer Advisory Committees.

Commissioner McVey moved to the second item on the agenda Commission Consideration of Request by Oregon for an Extension of its Stay of the Effectiveness for Oregon. Commissioner McVey asked Ms. Schutter to give a background report. In early 2024, Oregon provided notice of their intent to opt out by regulation of the *Standards for Individual Deferred Index Linked Variable Annuity Contracts*, and the amended *Additional Standard for Market Value Adjustment Features for Modified Guaranteed Annuities and Index Linked Variable Annuities*. At the joint meeting on July 24, 2024, the Commission granted Oregon a six month stay of these two uniform standards while it conducted its regulation making. The stay took effect when these standards became effective on August 12, 2024. On January 23rd, Oregon submitted a request for a six-month extension of this stay as it was following procedural steps within its state to put a regulation in place for this opt-out. The original stay was effective until February 12, 2025. This action would be to extend the stay by six months dating back to February 12, 2025. Under the procedures, the Commission grants the stay request, and the state has an opportunity and sovereign rights to opt out by following their state process.. Ms. Schutter concluded her report.

Commissioner McVey asked if there were any questions. Hearing none, Commissioner McVey asked Oregon if had anything to add in regard to their request. Ms. Sizemore stated that Oregon had nothing more to add. Director Cameron made the motion to grant Oregon's stay which was seconded by Mr. Benchaaboun. The motion carried.

Commissioner McVey moved to the third agenda item, report of the Audit Committee on the Independent Audit Report and Presentation of the 2024 Annual Report. Commissioner McVey asked Commissioner Clark, chair of the Audit Committee, to provide the report. Commissioner Clark reported that the 2024 audit was completed in a timely manner and received an unqualified opinion from our independent auditors Rubin Brown. The unqualified opinion is the best opinion possible. This was third consecutive year that Rubin Brown performed an independent audit for the Commission. A copy of the independent auditor's report will be in the back of the Commission's 2024 Annual Report, and will be posted to the Compact website at the end of the meeting. Commissioner Clark reported Rubin Brown met with the Audit Committee on March 17th to present their results which included the unqualified audit opinion along with several supplemental letters to the Audit Report. The audit was conducted using the standards issued by AICPA and noted no deficiencies in commission's internal control structure and no disagreements, issues or concerns with the management. All are encouraged to review the Annual Report. Some of the highlights in the Report include that the Compact ended 2024 in a healthy cash position of \$1,466,826. The Compact earned \$3,156,197 in revenues last year, which was 84% of the \$3.7 million budgeted revenues. The variance in the product filing fee line is explained in part by the timing of the new standards development. Last year, the Product Standards Committee published 35 Uniform Standards enabling companies to file several new products with the Compact. The Compact also came in at 89% of the budgeted expenses for a total of \$3,242,616 compared to the budget of \$3.6 million. This resulted in ending last year in a negative position with revenues under expenses in the amount of \$86,419. At the end of March, the Compact made its sixth of ten payments on the outstanding debt to NAIC under the restructured agreement. That agreement totals \$1,644,078. The modified agreement provides the Compact make payment on the principal in ten equal annual payments in the amount of \$274,013 each without further interest accruing. It was also noted that the Insurance Compact Office collected and remitted over \$3.17 million in state filing fees in 2024, which was an increase of \$152,000 from 2023. Commissioner Clark concluded her report.

Commissioner McVey asked if there were any questions. Hearing none, Commissioner McVey stated that he would be taking the reports from all the Committees before taking a motion to receive all of the reports.

Commissioner McVey moved to the fourth agenda item, the report of the Management Committee. Commissioner McVey stated that he would be giving the report in Director Dunning's absence. Commissioner McVey reported that the Management Committee met virtually on March 18th and during that meeting the Committee's charter was adopted and reports from the Product Standards Committee, the Rulemaking Committee, and Finance Committee were received which included approving their respective charters and work plans. The charters are posted to the Committee's respective pages on the Compact website. The Management Committee adopted its minutes from the Denver meetings it had with the Legislative Committee and the Commission on November 16, 2024. Commissioner McVey concluded his report.

Commissioner McVey moved to the fifth agenda item, report of the Adjunct Services Committee on its 2025 work goals. Commissioner McVey asked Ms. Logue to provide the report. Ms. Logue reported the Adjunct Services Committee held its first regulator call of 2025 on March 20th. The committee reviewed its activities from 2024 and laid out its work plan for 2025. The Committee is working with the Compact Office to launch a product training program for regulators in the second quarter starting off with a series of sessions on Life Insurance. The Committee agreed that the Compact Office should continue the monthly member calls that started in September 2024. The Committee established the monthly member call for regulators to discuss filing activity at the Compact and within departments with respect to the authorized product lines. The Committee also discussed the framework developed last year for an office within the Compact to provide expertise and a collaborative forum for regulators and companies to work through new product ideas. The Committee received constructive feedback from the Legislative Committee and is now in the process of reworking not only the name but the process. The Committee envisions this process as a consultative one that would benefit both the regulators and companies to get front end review of their product before it's submitted by the state. The Committee hopes to get this framework updated in advance of the next Compact Roundtable that will be held on Tuesday, May 13th in the Compact's DC Offices. Ms. Logue concluded her report

Commissioner McVey moved to the sixth agenda item, the report of the Governance Committee and Consideration by the Commission to Adopt the Report and Recommendation of the Governance Committee. Commissioner McVey stated that he would be giving the report in Director Dunning's absence. Commissioner McVey reported that the Governance Committee met on March 17th to review and adopt its charter and work plan. The Committee is monitoring the governance training program for members and designated representatives. In 2024, outside counsel conducted three in-person governance sessions. Ten Commissioners and 24 designated representatives attended at least one of these sessions. The Governance Committee plans to roll out this training to more members and designated representatives in 2025. The Governance Committee also oversees the organization's annual governance process and has reviewed all 2025 Committee charters and approved them for good form. The Governance Committee will be completing two more tasks identified in the 2020 governance review, including a written policy and a table of authorities. Commissioner McVey concluded his report.

Commissioner McVey asked if there were any questions. Hearing none, Commissioner McVey asked for a motion and a second from a member of the Commission to adopt the reports of the Audit Committee, Management

Committee, Adjunct Services Committee, and Governance Committee. Mr. Varga made the motion which was seconded by Ms. Block. The motion carried.

Commissioner McVey moved to the seventh agenda item, the Commission Consideration of Amendments to the Compact Banking Resolution. Commissioner McVey asked Ms. Schutter to provide an explanation for the resolution. Ms. Schutter explained that it was best practice to have at least two executives with the ability to conduct business on behalf of the Commission with the commercial bank. Due to our relationship with the NAIC as a service provider to the Compact, the Compact has had an NAIC executive as its second signatory. With the retirement of the NAIC Chief Operating Officer, Andy Beal, it is necessary to update this item with the commercial bank. The bank resolution replaces Andy Beal with James Woody, the NAIC Chief Financial Officer. This resolution grants both Mr. Woody and Ms. Schutter the ability to open, maintain, and close bank accounts as well as add banking services such as ACH, lockbox, and purchase foreign currencies. This resolution does not allow either Mr. Woody or Ms. Schutter to borrow money on behalf of the Commission. This resolution is only applicable to the Commission. The NAIC and NIPR put forward their own banking resolutions when they were at the Indianapolis meeting. Ms. Schutter concluded her report.

Commissioner McVey asked for a motion and a second from a member of the Commission to adopt the banking resolution to replace Mr. Beal with Mr. Woody as a signatory on the Commission's commercial bank account. Commissioner Pike made the motion which was seconded by Ms. Logue. The motion carried.

Commissioner McVey asked for a motion to adopt the Consent Agenda which consists of the minutes from the November 16, 2024, Joint Meeting of the Management Committee and the Commission. Ms. Block made the motion which was seconded by Ms. Lohmann. The motion carried.

Commissioner McVey moved to the ninth agenda item, the Executive Director's Operational Report. Commissioner McVey asked Ms. Schutter to provide the report. Ms. Schutter welcomed two new members to the Compact Legislative Committee, Oklahoma Representative Ellyn Hefner and Kentucky Representative Michael Pollock. They are replacing Oklahoma Representative Forrest Bennett who is stepping down from the committee and former Kentucky Representative Rachel Roberts, who did not run for another term. Fred Nepple who has been a member of the Consumer Advisory Committee since 2013 stepped down as of December; and was thanked for his twelve years of service to the Compact. Ms. Schutter noted there is one open seat on the Consumer Advisory Committee. The Compact will be holding the next Roundtable event on the afternoon of Tuesday, May 13th in the Compact's DC office, the same place it was held last year. The Roundtable is on the front end of the Commissioner's Fly-In and members are encouraged to come into DC a little early to attend. The fall Roundtable will take place on Wednesday November 5, 2025, which is the morning after InsurTech on the Silicon in Omaha. Today the Commission is publishing the Annual Report on the Compact website. Pursuant to the Compact Statute and the Bylaws, the Compact Office is required to send a copy of the Annual Report to each governor and certain state legislators.

During the weekend of March 1st Compact filings were migrated over from SERFF legacy to the new SERFF platform. The Compact is the only instance right now in that new platform. The migration implementation went very smoothly. The coordination and communication of the SERFF team with the Compact team during this weekend was very successful. The Compact will be starting a Spring Webinar series that is on the Compact events calendar. There are eight topics ranging from ones we usually have a Compact 101, Navigating the Compact

website and a few new topics such as Non Employer Group filings and Index Linked Variable Annuity filings. Many of the webinars are open both to regulators and to interested parties. Ms. Schutter concluded her report.

Commissioner McVey asked if there were any questions for Ms. Schutter. Mr. Benchaaboun asked if the recorded webinars were going to be on the NAIC Connect website. Ms. Schutter stated that the webinars would be available on the Compact website if they are public and regulator only webinars would be on NAIC Connect.

Commissioner McVey asked if there were any other matters. Hearing no other matters, Commissioner McVey asked for a motion to adjourn the meeting. Director Cameron made the motion, and Commissioner Pike seconded the motion to adjourn.