MEETING OF THE
INTERSTATE INSURANCE PRODUCT
REGULATION COMMISSION (IIPRC)

Wednesday, February 28, 2007
1:30pm EST/12:30pm CST/11:30am MST/10:30am PST
Conference Call

1. Roll Call

2. Consider Adoption of Proposed Revised 2007 IIPRC Budget

3. Receive Report of the IIPRC Management Committee

4. Consider Adoption of Proposed Product Standards Issued for Comment on November 22, 2006 and December 22, 2006

5. Consider Adoption of Proposed Operating Procedures Issued for Comment on November 22, 2006 and December 22, 2006

6. Any other business

7. Adjourn
Minutes of the Meeting of
The Interstate Insurance Product Regulation Commission (IIPRC)
Wednesday, February 28, 2007

Commission Members Present:
Commissioner Jane Cline, Acting Chair, West Virginia
Commissioner Glenn Wilson, Treasurer, Minnesota
Katie Campbell as a designated representative for Director Linda Hall, Alaska
Peg Brown as a designated representative for Commissioner Marcy Morrison, Colorado
Margaret Whiten as a designated representative for Commissioner John Oxendine, Georgia
Shelly Santo, Hawaii
Carol Mihalik as a designated representative for Director Jim Atterholt, Indiana
Tom O’Meara as a designated representative for Commissioner Susan Voss, Iowa
Marlyn Burch as a designated representative for Director Sandy Praeger, Kansas
Director Julie McPeak, Kentucky
Commissioner Steven Orr, Maryland
Fran Wallace as a designated representative for Commissioner Linda Watters
Director Tim Wagner, Nebraska
Commissioner Roger Sevigny, New Hampshire
Louis Belo as a designated representative for Commissioner Jim Long, North Carolina
Peg Ising as a designated representative for Director Mary Jo Hudson, Ohio
Delora Schafer as a designated representative for Commissioner Kim Holland, Oklahoma
Brad Harker as a designated representative for Acting Commissioner Randy Rohbaugh, Pennsylvania
Lelia Alvarado as a designated representative for Commissioner Dorelisse Jimenéz, Puerto Rico
Elizabeth Dwyer as a designated representative for Superintendent Joseph Torti, Rhode Island
Sara Waitt as a designated representative for Commissioner Mike Geeslin, Texas
Commissioner Kent Michie, Utah
Herb Olson as a designated representative for Commissioner Paulette Thabault, Vermont
Don Beatty as a designated representative for Commissioner Al Gross, Virginia
Beth Berendt as a designated representative for Commissioner Mike Kreidler

Regulator Staff in Attendance:
Malinda Sheppard, Kentucky

Legislative Committee:
Representative Bob Damron, Representative of the Legislative Committee

Representatives of the Interim Industry Advisory Committee:
Michael Lovendusky, ACLI
Gary Sanders, AHIA
Nancy Johnson, UNUM
Dennis Hershel, Mass Mutual
Commissioner Cline called the meeting of the Full Commission to order.

Commissioner Cline informed the Commission that as the Vice Chair and with the recent resignation of the Chair, Commissioner Diane Koken from Pennsylvania, one of her responsibilities is to act as Chair until vacancy elections are held on the 9th of March.

Commissioner Cline moved to the first item of business, the adoption of the Proposed Revised 2007 IIPRC Budget. The Management Committee approved the proposed 2007 Budget without amendment during the call on the 26th of February. Commissioner Cline asked if there were any questions and comments regarding the 2007 proposed Budget. Commissioner Michie made a comment in reference to a figure in the budget that was incorrectly listed as a positive number. Frances Arricale informed the Commission that the error would be fixed and reflected in the final version. Commissioner Cline asked if there was a motion to adopt the 2007 Budget. Louis Belo from North Carolina made a motion and Commissioner Michie from Utah seconded the motion to have the Proposed Revised 2007 IIPRC Budget adopted. The budget was adopted unanimously by Roll Call vote.

Commissioner moved to the second item of business, the report of the Management Committee. Commissioner Cline reported that during the recent meeting of the Management Committee, the Product Standards Committee recommended to issue the Single Premium and the Joint Last to Die Survivorship Individual Term Life Policy Standards, of which contain revisions on ownership and assignment; technical amendments to the Standards noticed for comment on November and December 22, 2006; and Non-Technical and Substantive Amendments to the standards noticed for comment on November and December 22 were put forth for consideration of the Management Committee. The Management Committee voted to publish the recommended Term Standards; accept the Technical Amendments mentioned; and accepted 3 out of the 5 Substantive Amendments proposed. The Rulemaking Committee also made a report to the Management Committee. The Committee recommended 4 Operating Procedures to the Management Committee. Commissioner Cline noted that out of the 4 Operating Procedures before the Commission for consideration, only three (3) were approved by the Management Committee. The proposed Operating Procedure
for the Filing and Approval of Product Filings is being held for further discussion during
the meeting in New York on March 9. Commissioner Michie asked if the Chairwoman
would like a motion made to adopt the Management Committee report. Ms. Arricale
affirmed that a motion would be necessary. Commissioner Michie made the motion.
Commissioner Kim Holland seconded the motion. A unanimous Roll Call vote was
taken. The Report of the Management Committee was adopted.

Commissioner Cline moved to the consideration of adoption of the Proposed Product
Standards issued for comment on November and December 22. Commissioner Michie
asked if the intent was to talk about the standards as a group or individually. Ms.
Arricale clarified that the intent was to take up the Individual Life Applications Standards
and Change Form and then the remaining standards. Commissioner Cline asked if there
were any comments or questions about the proposed Standard, Individual Life
Applications Standards and Change Form. Having heard none, Commissioner Cline
asked if there was a motion to adopt the amendments. Marlyn Burch from Kansas
offered the motion to adopt standards. Director Julie McPeak from Kentucky seconded
the motion. Peg Ising, from Ohio, commented that there were problems with the
“Complications of Pregnancy Amendment” in the Individual Life Applications Standards
and would like to discuss the language. It would be preferred, as stated by Ms. Ising, that
the language be deleted from the Proposed Standard. Herb Olson, from Vermont, agreed
with Ms. Ising’s comments. Ms. Ising motioned to have the Proposed Standard adopted
without the complications of pregnancy amendment. Commissioner Cline asked Mr.
Burch if he would re-offer a motion to exclude the Complications of Pregnancy language
from the proposed standards and address the issue separately. Mr. Burch agreed with the
motion; Director McPeak seconded. Commissioner Cline then asked for a Roll Call vote
to adopt all the amendments that were approved by the Management Committee on the
23rd of February other than the Complications of Pregnancy and then move to discuss
Ohio and Vermont’s concerns. A unanimous Roll Call vote was taken.

After the vote, Commissioner Cline asked Ohio and Vermont to address their issues.
After their discussion, Commissioner Cline asked if there was a motion to keep the
language in or remove it from the applications or to send it back to the Product Standards
Committee for further review. Ms. Ising made a motion to adopt the Pregnancy language
in the proposed standards subsection C without the suggested amendment. Sara Waitt,
from Texas, suggested that Ohio read the amendment with their desired language. Becky
McElduff, from the NAIC, read the original language from the Product Standards
Committee. Commissioner Kent Michie motioned to have the amendment referred back
to the Product Standards Committee for further review and then recommended to the
Management Committee. Superintendent Torti seconded the motion. At this point, Ms.
Arricale interjected that the application has been adopted without the language. She
asked the Legal Counsel to opine about the Committee referring the Application back to
the Product Standards Committee. The opinion was that it would have to be added to the
Application and Change Form as an amendment at a later date should this be the process.
Before the vote was taken, Commissioner Cline asked if any of the interested parties had
any comments. Miriam Krol, from ACLI, remarked that this language is fairly common
practice and is by no means meant to be discriminatory. Dennis Hershel, from Mass
Mutual, remarked that it is in the consumer’s best interest to leave the language in the amendment. Michael Lovendusky, from ACLI, made similar remarks. Brendan Bridgeland remarked on the wordsmithing of the language and the impact that it will have on the consumers. Commissioner Michie asked about the timing of the amendment in regards to sending it back to the Product Standards committee with relation to the March 9th Management Committee in New York City. Commissioner Cline asked that the Roll Call vote be taken on the motion made by Ohio to send the language back to the Product Standards committee. Herb Olson motioned to reconsider the action previously taken and defer action until the meeting in New York City. Commissioner Michie and Superintendent Torti rescinded their motions. Commissioner Michie seconded the motion made by Mr. Olson. There was a Roll Call vote taken and the majority voted in favor of adopting the motion. The application was recommended by Commissioner Cline to the meeting in the New York City.

Commissioner Cline then asked if there was a motion to adopt the Proposed Standards for Benefit Features published on December 22. Commissioner Sevigny made the motion and Mr. Olson seconded the motion. Commissioner Cline asked if there were any comments on the proposed standards. Brendan Bridgeland asked about the language in the Explanatory Statements and inquired about whether or not they can be amended. Kay Noonan informed him that they were summaries and therefore not amendable. Commissioner Sevigny, from New Hampshire, made the motion to adopt this Standard and Mr. Olson seconded the motion. A unanimous Roll Call vote was taken and the Proposed Standard was adopted.

Commissioner Michie suggested that the Product Standards, as they are developed, should be numbered for easy reference. Ms. Krol suggested that it would be a very good idea and one that would work well with SERFF.

Commissioner Cline then moved to the Adoption of the Proposed Operating Procedures: the Operating Procedure for Resolution of Disputes between States; Operating Procedures for Notice and Hearing; and the Operating Procedure for the Implementation of Uniform Product Standards. Commissioner Cline asked if there were any amendments or proposed changes. Upon hearing no comments, Commissioner Cline asked if there was a motion. Mr. Burch motioned to adopt the proposed Operating Procedures; Mr. Olson from Vermont seconded the motion. A unanimous Roll Call vote was taken. The Operating Procedures were adopted.

Commissioner Cline then thanked all the Members for participating in the conference call. Commissioner Cline then called upon the Members of the Committee for any further business. None was brought forward. Commissioner Cline asked if there was a motion to adjourn. A motion was made by New Hampshire to conclude the meeting and seconded by Oklahoma. A unanimous voice vote ended the meeting.