AGENDA

1. Roll Call

2. Report and Recommendation of Product Standards Committee and Consider Adoption of Report and Recommendation of the Product Standards Committee

3. Report and Recommendation of the Finance Committee and Consider Adoption of Report and Recommendation of the Finance Committee

4. Operational Update

5. Any Other Matters

6. Adjourn
Minutes of the Meeting of the Management Committee of
The Interstate Insurance Product Regulation Commission (IIPRC)
Monday, July 28, 2008
Teleconference

Management Committee Members in attendance:
Commissioner Glenn Wilson, Minnesota, Treasurer as designated Chair
Tonya Gillespe as a designated representative for Commissioner Jane Cline, West Virginia
Sue Real as a designated representative for Director Hudson, Vice Chair, Ohio
Margaret Witten as a designated representative for Commissioner John Oxendine, Georgia
Joe Murphy as a designated representative for Commissioner Nonnie Burnes, Massachusetts
Commissioner Jim Long, North Carolina
Commissioner Kim Holland, Oklahoma
Brad Harker as a designated representative for Commissioner Joel Ario, Pennsylvania
Ana Smith-Daley as a designated representative for Commissioner Mike Geeslin, Texas
Commissioner Paulette Thabault, Vermont
Don Beatty as a designated representative for Commissioner Al Gross, Virginia

Commission Members in attendance:
Shelley Santo, Hawaii
Commissioner Sharon Clark, Kentucky
Commissioner Jim Donelon, Louisiana
Director Anne Frohman, Nebraska
Commissioner Roger Sevigny, New Hampshire

Regulator Staff in attendance:
Marlon Burch, Kansas
Malinda Shepherd, Kentucky
Al Perkins, Kentucky
Denise Brignac, Louisiana
Tom Record, Maine
John Rink, Nebraska
Susan Real, Ohio
Michael Ridgeway, Oklahoma
Katie Stepp, Oklahoma
Beth Dwyer, Rhode Island
Rachael Harper, South Carolina
Shawn Hawk, Tennessee
Betsy Jerome, Utah
Alan Hudina, Washington
Susan Ezalarab, Wisconsin

Legislative Committee members in attendance:
Susan Nolan, NCOIL
Mike Humphreys, NCOIL

Consumer Advisory Members in attendance:
Ryan Wilson, AARP
Rod Bordelton, Office of Public Insurance Council, Texas
Brendan Bridgeland, Center for Insurance Research
Commissioner Glenn Wilson called to order the meeting of the Management Committee of the Interstate Insurance Product Regulation Commission. The first item on the Agenda, was the Report and Recommendation of the Product Standards Committee and Consider Adoption of Report and Recommendation of the Product Standards Committee. Commissioner Wilson asked Commissioner Sevingy to make the Report of the Product Standards Committee.

Commissioner Sevingy reported that the Product Standards Committee has reached a final recommendation on two sets of Individual Annuity Contract Standards and three sets of amendments to individual life insurance policy standards. More specifically the Annuity Contract Standards are the Individual Annuity Application Standards and the Individual Annuity Application Change Form Standards; the amendments are to the Individual Life Application Standards and to the Individual Life Application Change Form Standards and an additional amendment to the Life Insurance Policy Standards. Commissioner Sevingy recommended that the Management Committee initiate the rulemaking process by issuing the two Annuity Standards and the two Individual Life Application Standards for the 60-day public comment period. Commissioner Sevingy noted that the additional amendment to the individual life policy standards is in the middle of its 60-day public comment period. Commissioner Sevingy concluded his Report by stating that memos were distributed highlighting the changes.

Commissioner Wilson asked if there were any comments or questions for Commissioner Sevingy. Hearing none, Commissioner Wilson asked if there was a motion to approve the Report and Recommendation of the Product Standards Committee. Commissioner Jim Long, North Carolina, made the motion and Don Beatty, Virginia, seconded the motion. Commissioner Wilson asked if there was any
discussion. Hearing none, Commissioner Wilson asked Frances Arricale to take a roll call vote. The Report and Recommendation was approved by unanimous roll call vote.

Commissioner Wilson moved to the next item on the Agenda, the Report and Recommendation of the Finance Committee and consider adoption of Report and Recommendation of Finance Committee. Commissioner Wilson called on Director Ann Frohman to make the report of the Finance Committee.

Director Frohman reported that the Finance Committee has a proposed 2009 IIPRC Budget. Director Frohman reviewed the drafting process that was undertaken by the IIPRC Office with the assistance of the NAIC Finance Department. Director Frohman noted that the proposed 2009 Budget reflects that the Compact is still working through its start-up. Director Frohman noted that the Budget does reflect the self-generated revenue, but that it is most likely the IIPRC will need to consider a request to the NAIC for an additional line of credit in 2009 to cover the remaining expenses noted in the Budget proposal. Director Frohman highlighted that the IIPRC Officers and Finance Committee are dedicated to an ongoing review of the evolving circumstances of the Compact’s start-up, and will continue to review the operational requirements on a quarterly basis. Director Frohman noted that the review in particular will focus on the staffing needs and the generation of filing fees to cover more of the budgetary expenses. Director Frohman noted that in advance of the call the Finance Committee held a public call to review the Budget before making the recommendation to expose the Budget for a 30-day public comment period. Director Frohman stated that the Finance Committee would like to recommend to the Management Committee that the proposed 2009 IIPRC Budget be noticed out for a 30-day public comment period and a public hearing be scheduled to take additional comment. Director Frohman concluded her report.

Commissioner Wilson asked if there were any comments or questions for Director Frohman. Commissioner Wilson asked if there was a motion to approve the Report and Recommendation of the Finance Committee. Commissioner Long made the motion and Mr. Beatty seconded the motion. Commissioner Wilson asked if there were any comments Commissioner Kim Holland, Oklahoma, asked about the Compact Fee line item. Commissioner Holland noted that there was a sizeable increase from the 2008 IIPRC Budget and she asked if someone would please explain the increase. Commissioner Wilson asked Ms. Arricale to address this question. Ms. Arricale explained the increase and noted that the per filing fees and the annual registration fees were separated into two lines. The filings were projected analyzing the standards that are currently available and those that are to be developed within the next year, and this was compared to the total number of filings made in the SERFF system in general. Ms. Arricale did note that this is a good faith estimate. Commissioner Wilson asked if there were any other questions. Hearing no further comments, Commissioner Wilson asked Ms. Arricale to take the roll call. The motion was approved by unanimous roll call vote.

Commissioner Wilson thanked the Finance Committee for their work on the 2009 Budget. Commissioner Wilson noted that without the sales for the operation, there is very little to go on. Commissioner Wilson continued, the Officers are looking to further build the Compact platform and it is important to encourage filings in order to build up the revenue.

Commissioner Wilson moved to the next item on the Agenda, an Operational Update. Commissioner Wilson asked Ms. Arricale to provide an Operational Update.

Ms. Arricale noted that the Compact will be initiating filing demonstrations webinars. Ms. Arricale noted that the web sessions will allow for further outreach as not everyone can travel to meetings. Ms. Arricale, on a scheduling note, highlighted that there will be a Commission meeting on August 27 via teleconference to consider adoption of the ten (10) Uniform Standards and Operating Procedures. Ms. Arricale noted that the annual meeting was noticed out and will be prefaced by a public hearing. Ms. Arricale noted that the Management Committee will be reconstituted during the Annual Meeting. Ms.
Arricale explained that the subcommittees will be re-formed during the Annual meeting as well, and a subcommittee preference form will be sent to all Members of the Commission. Ms. Arricale reminded those on the call today that if they have not already turned in their proxy forms that they need to do so after the call. Ms. Arricale completed her operational update.

Commissioner Wilson asked if there were any other matters to be considered during this meeting. Commissioner Jim Donelon asked about Louisiana participating with the subcommittees and the Commission. Ms. Arricale replied that she would contact Commissioner Donelon to answer his questions.

Commissioner Thabault asked to update the Committee on the status of the amendment to the Public Access Rule. Commissioner Thabault noted that Vermont has proposed an amendment that defines innovative product as it relates to the trade secret definition. Commissioner Thabault stated that Vermont would like to have a public call with the intent to allow for all comments to be received. Commissioner Wilson asked if there were any comments on Commissioner Thabault’s proposal. Mr. Beatty asked why this proposal would not be included in the amendment to be discussed during the September 21 Public Hearing. Commissioner Thabault replied that the comments would allow for additional drafting. Commissioner Wilson asked Commissioner Thabault to put the request into the form of a motion. Commissioner Thabault made a motion for the Rulemaking Committee to convene a Public Hearing on the proposed amendment to the Public Access Rule prior to the already scheduled September 21 Public Hearing so that the Management Committee could have full information in terms of input at the September 21 meeting. Commissioner Holland seconded the motion. Commissioner Wilson asked if there were any other comments. Miriam Krol, on behalf of the Industry Advisory Committee, asked, as a question of order, what is the status, if and when, the Rulemaking Committee does schedule a Public Hearing to discuss the Vermont amendment to the original amendment of the August 5 deadline. Ms. Krol asked are comments to be expected to be submitted on August 5th of the first amendment and then comments are to be submitted on the Vermont comments to the original proposal. Ms. Arricale asked Commissioner Thabault for further clarification as to what they would like to have discussed during the requested public call. Commissioner Thabault replied that a focused Public Call on the Vermont proposed amendment that was noticed out recently. Ms. Arricale asked for NAIC Legal assistance with regard to the extension of the comment deadline. Kay Noonan, NAIC General Counsel, noted that the extension of the deadline is at the discretion of the Management Committee. Ms. Krol noted that the Industry Advisory Committee would like to propose that the comment deadline be extended to five business days after the public call of the Rulemaking Committee. Commissioner Thabault replied that she would like to extend the comment deadline date. Commissioner Thabault made a motion and Mr. Beatty seconded the motion. Ms. Arricale noted that the two (2) motions could be amended to create one motion. Commissioner Thabault agreed as well as Mr. Beatty and Commissioner Holland. Commissioner Wilson asked Ms. Arricale to take a roll call vote. The motion was approved by unanimous roll call vote.

Hearing no other matters, Commissioner Wilson asked if there was a motion to adjourn. Commissioner Long motioned to adjourn. The Management Committee adjourned with unanimous voice vote.