



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

Monday, December 19, 2011

1:30 pm ET / 12:30 pm CT / 11:30 am MT / 10:30 am PT

1. Roll Call
2. [Report and Recommendation of the Communications Committee and Consideration by the Management Committee to Approve the Report and Recommendation of the Communications Committee](#)
3. [Report of the Product Standards Committee and Consideration by the Management Committee to Approve the Report of the Product Standards Committee](#)
4. [Update on Illinois' Implementation Process and Consider Extension of Illinois' Stay of the Effectiveness of Certain Uniform Standards](#)
5. [Management Committee Consideration of Approval of Meeting Minutes of the November 2 Joint Meeting of the Management Committee and Commission](#)
6. [Commission Consideration of Adoption of Meeting Minutes of the November 2 Joint Meeting of the Management Committee and Commission as Approved by the Management Committee](#)
7. [Formation of IIPRC Member Committees and Industry Advisory Committee](#)
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, December 19, 2011**

Members of the Commission and Department Staff in Attendance:

Commissioner Roger Sevigny, Chair, New Hampshire
Director John Huff, Vice Chair, Missouri
Commissioner Michael Consedine, Treasurer, Pennsylvania
Robert Turner, Alabama
Director Linda S. Hall, Alaska
Commissioner Jim Riesberg, Colorado
Tom Able, Colorado
Steve Manders as a designated representative for Commissioner Ralph Hudgens, Georgia
Acting Director Andrew Stolfi, Illinois
Susan Lamb, Illinois
Mihir Nag, Indiana
Rebecca Vaughan as a designated representative for Commissioner Stephen Robertson, Indiana
Marlyn Burch, Kansas
Commissioner Sharon P. Clark, Kentucky
Barry Ward, Louisiana
Tom Record, as a designated representative for Superintendent Eric Cioppa, Maine
Ellen Woodall as a designated representative for Therese Goldsmith, Maryland
Ed Charbonnier, Massachusetts
Dorothy Cherry as a designated representative for Commissioner R. Kevin Clinton, Michigan
Cathy LeFleur, Michigan
Brian Pennington as a designated representative for Commissioner Mike Rothman, Minnesota
Aaron Sisk, as a designated representative for Commissioner Mike Chaney, Mississippi
Molly White, Missouri
Director Bruce Ramage, Nebraska
John Rink, Nebraska
Commissioner Scott J. Kipper, Nevada
Annette James, Nevada
Michael Wilkey, New Hampshire
Felix Schirripa, as a designated representative for Commissioner Tom Considine, New Jersey
Ted Hamby, North Carolina
Mary Miller, as a designated representative for Director Mary Taylor, Ohio
Pete Weber, Ohio
Denise Engle, as a designated representative for Commissioner John Doak, Oklahoma
Peter Camacci, Pennsylvania
Ruben Gely, Puerto Rico
Beth Dwyer as a designated representative for Superintendent Joseph Torti III, Rhode Island
Commissioner Julie Mix McPeak, Tennessee
Sara Waitt, as a designated representative for Commissioner Eleanor Kitzman, Texas
Betsy Jerome, as a designated representative for Commissioner Neal T. Gooch, Utah
Susan Donegan, Vermont
Kevin Gaffney, Vermont
Don Beatty as a designated representative for Commissioner Jacqueline K. Cunningham, Virginia
Beth Berendt as a designated representative for Commissioner Mike Kreidler, Washington
Sue Ezalarab, as a designated representative for Commissioner Ted Nickel, Wisconsin
Commissioner Ken Vines, Wyoming

Interested Regulators in attendance:

Mary Kosinski, Arizona

Interested Parties in attendance:

Beth Lindsay, ING

Members of the Legislative Committee in attendance:

State Senator Keith Faber, Ohio

Members of the Industry Advisory Committee in attendance:

Karen Alvarado, Insured Retirement Institute

Bill Anderson, National Association of Insurance and Financial Advisors (NAIFA)

Tom English, New York Life

Mary Keim, State Farm Insurance Companies

Miriam Krol, American Council of Life Insurers (ACLI)

Amanda Matthiesen, America's Health Insurance Plans (AHIP)

Jill Morgan, Symetra

Joe Muratore, New York Life

IIPRC staff in attendance:

Karen Schutter, Executive Director

Sara Dubsky, Operations Manager

MacKenzie Heidelberg, Administrative Coordinator

Jeanne Daharsh, Actuarial Consultant

Alice Fontaine, Actuarial Consultant

Karen Givens, Product Review Consultant

David Morris, Product Review Consultant

Maureen Hart Perry, Product Review Consultant

Charles Rapacciuolo, Product Review Consultant

Commissioner Sevigny called to order the Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission. Ms. Schutter took the roll call of the Management Committee, Commission, members of the Legislative Committee, members of the Industry Advisory Committee, members of the Consumer Advisory Committee, and other Interested Parties.

Commissioner Sevigny turned to the first action item and called on Mr. Sisk to make the report and recommendation of the Communications Committee. Mr. Sisk stated that the Communications Committee brings forth a recommendation to the Management Committee to approve the formation of a new Focus Group for the purpose of receiving feedback from filing companies as well as companies that have not yet utilized the Compact on ways to increase industry utilization. The Focus Group would also provide user feedback about the Compact's filing process and areas for possible enhancement or improvement. It is recommended that there be no more than twenty (20) members, including at least twelve (12) representatives from companies who are current with their Annual Registration and at least one (1) consumer representative. If this recommendation is approved, the IIPRC Office will publish a notice seeking participants for this Focus Group and will facilitate these

sessions via conference call and provide regular reports back to the Communications Committee including any suggestions for outreach.

Mr. Sisk also reported the Communications Committee also reviewed its outreach strategy for the coming year. In addition to this Focus Group, the Communications Committee will be working with the IIPRC Office to develop a marketing campaign that members and the IIPRC Office can use to encourage Compact usage. The Communications Committee, working with the IIPRC Office, will also focus on increased consumer outreach as well as informational outreach to our market regulators. The Communications Committee will also be working with the Legislative Committee to develop informational sessions for state legislators about the Compact. Mr. Sisk concluded his report and there were no comments or questions. With no further questions, Commissioner Sevigny asked for a motion from a member of the Management Committee to adopt the report of the Communications Committee including the recommendation to form a new Focus Group. Director Huff made a motion and Mr. Camacci seconded. As there was no further discussion, Ms. Schutter took a roll call vote of the Management Committee and the motion passed.

Commissioner Sevigny advanced to the consideration of the written request from the Illinois Department of Insurance for a 30-day extension of its Stay of the Effectiveness of certain variable life and variable annuity uniform standards. Illinois' stay was effective starting on November 29, 2010 and they have been granted three (3) additional 90-day stays. The most recent 90-day extension was set to expire on November 28th and Illinois requested another 30-day extension to provide additional time to review internal recommendations. The Illinois Department has been collaboratively working with the IIPRC Actuarial Working Group and has also been in consultation with the IIPRC Office and is making forward progress on the questions and issues. The IIPRC Office issued a Filing Information Notice clarifying the process and application of these variable standards. Commissioner Sevigny asked Illinois to provide a current update on its stay process. Acting Director Stolfi reported that Illinois is prepared to accept eleven of the twelve standards that they had requested continuation for in their November 28th letter. Commissioner Sevigny asked if there were any further questions and there were none.

It was noted that because of the timing of the meeting, Illinois' last 90-day stay technically expired. Commissioner Sevigny then asked for a motion from a member of the Commission to grant Illinois' Request for a 30-day Extension of its Stay of certain individual life and annuity uniform standards in Illinois retroactive to November 28th. Mr. Beatty made a motion and Commissioner Clark seconded. Hearing no further discussion, Ms. Schutter took a roll call of the Commission and the motion passed.

The next item on the agenda was the Management Committee Consideration of Approval of Meeting Minutes of the November 2nd Joint Meeting of the Management Committee and Commission. Commissioner Sevigny asked for a motion from a member of the Management Committee to approve the meeting minutes of the November 2nd joint meeting of the Management Committee and Commission. Mr. Sisk made a motion and Director Ramage seconded. Seeing no further discussion, Commissioner Sevigny called for a voice vote as this was a ministerial matter. A voice vote was taken and the motion passed. Commissioner Sevigny then turned to the Commission Consideration of Adoption of Meeting Minutes of the November 2nd Joint Meeting of the Management Committee and Commission as Approved by the Management Committee. Commissioner Sevigny asked for a motion from a Commission member to adopt the minutes. Commissioner Clark made a motion and Mr. Schirripa seconded. Seeing no further discussion, Commissioner Sevigny called for a voice vote as a ministerial matter and the motion passed.

Commissioner Sevigny proceeded to the Report of the Product Standards Committee. Ms. Ezalarab reported that there are no uniform standards ready for final recommendation to the Management Committee. Since the last Management Committee meeting, the Product Standards Committee has taken up a new set of uniform standards that represent an important landmark for the Commission; the first set of group insurance uniform standards. The first set is term life insurance uniform standards for employer group which includes the policy and certificate form, the employer application form, change form, the enrollment form and several rider standards. In January, the Product Standards Committee plans to hold what promises to be the first of many public meetings to receive comments on the employer group term life insurance uniform standards. Hearing no further questions or discussion, Commissioner Sevigny took a voice vote to adopt the report of the Product Standards Committee and the motion passed.

Commissioner Sevigny then moved to the approval of the 2012 IIPRC Member Committees and Industry Advisory Committee assignments. Commissioner Sevigny noted that under the IIPRC Bylaws, the Chair makes the appointments to IIPRC Committees subject to the approval of the Management Committee. The recommendation for 2012 committee assignments was sent to the Management Committee members prior to this conference call. Commissioner Sevigny asked for a motion from a member of the Management Committee to approve the 2012 IIPRC Committee assignments. Commissioner Consedine made a motion and Director Huff seconded. As there was no further discussion, Ms. Schutter conducted a roll call of the Management Committee and the motion was carried. Ms. Schutter explained that each member should have received an e-mail from the IIPRC Office with their committee assignments which will be effective as of January 1, 2012.

Commissioner Sevigny thanked each Commissioner and their staff for their service and participation in these committees as full implementation of the Compact and the Commission is still very much a work in progress and requires the direction and input from all members not only in the area of uniform standards development but in financial stewardship, communications and outreach and our technology platform, among other important aspects of this growing organization.

The next item of business for the Management Committee was to fill a seat that has become vacant on the Industry Advisory Committee. On November 23rd, Nicole Allen of the Council of Agents and Brokers stepped down from the Industry Advisory Committee as Nicole has taken a position with a company. The term for this open position is through our next Annual Meeting in the fall of 2012. There is an applicant for this open seat as the Insured Retirement Institute (IRI) submitted an application to be on the Industry Advisory Committee for this coming year but the organizations already in these positions were appointed for another two years and included ACLI, AHIP and NAIFA. The IRI represents the entire supply chain of the insured retirement strategies industry especially annuities. IRI describes its membership as including major insurers, broker-dealers, financial advisors and asset managers. Karen Alvarado is Vice President of Regulatory Affairs and Compliance for IRI and would be the designated representative to the Industry Advisory Committee. Commissioner Sevigny stated that he thought IRI's appointment to the Industry Advisory Committee would be a very good fit especially as the IIPRC undertakes the development of group annuity uniform standards in the coming months. Commissioner Sevigny then asked for a motion from a member of the Management Committee to appoint Karen Alvarado of IRI to fill the vacant seat on the Industry Advisory Committee. Mr. Sisk made a motion and Director Huff seconded. Ms. Schutter took a roll call vote of the Management Committee and the motion passed.

Ms. Schutter then provided an operational update on the IIPRC. Ms. Schutter reported that on December 13, 2011, the IIPRC issued a Filing Information Notice for the purpose of providing clarification to both companies and states on the application of variable life and annuity uniform

standards. Ms. Schutter noted that this FIN does not change the way the IIPRC reviews product filings, it provides clarification regarding some of the nuances that have raised questions from both states and companies. This FIN was sent to all company filers and is also on the IIPRC website. Ms. Schutter reported that the IIPRC is now accepting 2012 registration fees from companies. Oregon will join the Compact effective January 1, 2012 when their legislation becomes effective and companies can add Oregon to new, pending, and previously approved Compact filings as of January 18, 2012. Ms. Schutter noted that there are no state filing fees for Oregon. The IIPRC is also working on implementing the individual disability income Uniform Standards, which were approved in September and will become available for filing on January 12th 2012. There were no questions for Ms. Schutter.

Commissioner Sevigny reported that the IIPRC Officers recently submitted a letter to the Federal Insurance Office in response to its request for comments on how to modernize and improve the system of insurance regulation in the U.S. A copy of this letter was distributed to the Commission members and may be found on the IIPRC's website, specifically the Regulator Resources page. The IIPRC Officers made a strong case that with regards to asset-based product approval, states are proactively, collaboratively and effectively modernizing and improving this important regulatory process within the state-based system of insurance regulation. Full implementation of the Compact is a work in progress and that it is already delivering speed-to-market benefits for efficiency-minded companies that are utilizing the Compact's filing process.

Commissioner Sevigny asked if there were any further matters. Mr. Beatty inquired about the resolution that was attached to the notice of the meeting. Ms. Schutter explained that the resolution adds the Chief Financial Officer at the NAIC to one of the signatories on the IIPRC's bank account. With the transition of the CFO it is a necessary step. Commissioner Sevigny asked for a motion from the Management Committee to add Jim Woody as a signatory to the IIPRC's banking activity. Mr. Sisk made a motion and Commissioner Consedine seconded. As a ministerial matter, a voice vote of the Management Committee was taken and the motion passed.

As there were no further matters, Mr. Beatty made a motion for adjournment and the meeting was adjourned.