1. Roll Call

2. Report of the Legislative Committee

3. Report of the Audit Committee and Consideration by the Management Committee to Approve the Report of the Audit Committee

4. Report of the Product Standards Committee and Consideration by the Management Committee to Adopt the Report of the Product Standards Committee

5. Report and Recommendation of the Technology Committee and Consideration by the Management Committee to Adopt the Report and Recommendation of the Technology Committee

6. Management Committee Consideration of Approval of the Uniform Standards Issued on September 8th

7. Commission Consideration of Adoption of the Uniform Standards Issued on September 8th as Approved by the Management Committee

8. Management Committee Consideration of Approval of the 2015 Annual Budget Issued on October 14th

9. Commission Consideration of Adoption of the 2015 Annual Budget Issued on October 14th as Approved by the Management Committee

10. Management Committee Consideration of Approval of Technology Committee Recommendation
11. **Management Committee Consideration of Approval of Meeting Minutes of the August 15th Joint Meeting of the Management Committee and Commission**

12. **Commission Consideration to Adopt the August 15th Joint Management Committee and Commission Meeting Minutes as Approved by the Management Committee**

13. Management Committee Consideration of Approval of Meeting Minutes of the October 20th Meeting of the Management Committee

14. **Annual Formation of Management Committee for 2014/2015**

15. **Elections of the 2014/2015 Officers**

16. **Treasurer’s Report**

17. **Operational Update**

18. Any Other Matters

19. Adjourn
Minutes of the Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission

Saturday, November 15, 2014

Members of the Commission and Department Staff in Attendance:
Commissioner Roger Sevigny, Chair, New Hampshire
Commissioner Michael Consedine, Vice Chair, Pennsylvania
Commissioner Joseph G. Murphy, Treasurer, Massachusetts
Charles Angell as a designated representative for Commissioner Jim Ridling, Alabama
Director Lori Wing-Heier, Alaska
Commissioner Germaine L. Marks, Arizona
Dan Honey as a designated representative for Commissioner Jay Bradford, Arkansas
Steve Manders as a designated representative for Commissioner Ralph Hudgens, Georgia
Kathleen Nakasone as a designated representative for Commissioner Gordon Ito, Hawaii
Donna Daniel as a designated representative for Director William Deal, Idaho
Tina Korty as a designated representative for Commissioner Stephen W. Robertson, Indiana
Commissioner Sandy Praeger, Kansas
Jason Lapham, Kansas
Commissioner Sharon Clark, Kentucky
Barry Ward as a designated representative for Commissioner Jim Donelon, Louisiana
Superintendent Eric Cioppa, Maine
Sandra Castagna as a designated representative for Commissioner Therese Goldsmith, Maryland
Joe Garcia as a designated representative for Director Ann Flood, Michigan
Tammy Lohmann as a designated representative for Commissioner Mike Rothman, Minnesota
Jay Eads as a designated representative for Commissioner Mike Chaney, Mississippi
Mary Mealer as a designated representative for Director John Huff, Missouri
Commissioner Monica Lindeen, Montana
Director Bruce Ramge, Nebraska
Commissioner Scott Kipper, Nevada
Commissioner Kenneth Kobylowski, New Jersey
Ted Hamby as a designated representative for Commissioner Wayne Goodwin, North Carolina
Peter Weber as a designated representative for Director Mary Taylor, Ohio
Cuc Nguyen as a designated representative for Commissioner John Doak, Oklahoma
Commissioner Laura Cali, Oregon
Commissioner Angela Weyne, Puerto Rico
Superintendent Joseph Torti, Rhode Island
Commissioner Raymond G. Farmer, South Carolina
Commissioner Julie Mix McPeak, Tennessee
Chlora Lindley-Myers, Tennessee
Sara Waitt as a designated representative for Commissioner Julia Rathgeber, Texas
Commissioner Todd Kiser, Utah
Betsy Jerome, Utah
Kaj Samsom as a designated representative for Commissioner Susan Donegan, Vermont
Commissioner Jacqueline Cunningham, Virginia
Don Beatty, Virginia
Leslie Krier as a designated representative for Commissioner Mike Kreidler, Washington
Commissioner Michael D. Riley, West Virginia
Cari Lee as a designated representative for Commissioner Ted Nickel, Wisconsin

Members of the Industry Advisory Committee in attendance:
Commissioner Sevigny called to order the joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission (Commission). Ms. Schutter took the roll call of the Management Committee, Commission, members of the Legislative, Industry Advisory, and Consumer Advisory Committees. Commissioner Sevigny noted that as provided in the bylaws, when one or more member participates by telephone, a roll call vote upon each action item is to be taken. However, since only a few Commission members joined by phone, Commissioner Sevigny proposed taking voice votes instead of roll call votes and taking roll call votes only if requested or if there are any votes in opposition on a particular action item or when considering the uniform standards for adoption. There were no objections to this proposal.

Commissioner Sevigny proceeded to recognize the members of the Industry Advisory Committee and Consumer Advisory Committee in attendance as well as the Legislative Committee, and asked Senator Kelley if she had any remarks. Senator Kelley announced that the Committee was pleased with several of the Commission’s recent achievements.

Commissioner Sevigny advanced to the next item on the agenda, the Report of the Audit Committee. As Chair of the Audit Committee, Superintendent Torti presented the Report and noted that the Audit Committee had not met recently, but will convene before the end of the year to review the current IIPRC financials. As of September 30th, the IIPRC has a cash balance of $356,443 which is an increase over the prior year due to the continued growth of the IIPRC; expenses are under budget by 9%. Most of the
savings in expenses are in the Professional Services and Travel lines. The savings are due to the timing in retaining the outside counsel as well as the newest consultant. Additionally, due to schedule restraints, staff and consultant travel has been less than budgeted. Superintendent Torti reported that for the second year in a row the IIPRC will not need to make a draw on the available line of credit from the NAIC. The Audit Committee will work with the independent audit firm of McGladrey as they conduct the 2014 audit which will be presented to the membership at the next in-person meeting in March. There were no questions or comments for Superintendent Torti. As this was a Commission action item, Commissioner Consedine made a motion to adopt the Report of the Audit Committee and Commissioner Kobylowski seconded the motion. A voice vote was taken and the motion passed.

Commissioner Sevigny moved to the Report of the Product Standards Committee, which was presented by Mr. Lapham. Mr. Lapham explained that the Group Disability Income Subgroup is currently working on the development of the Core Group Disability Income Insurance Policy and Certificate Uniform Standards for Employer Groups. A public call of the Committee took place on October 21st to address some of the questions that have been raised during the review of these uniform standards, specifically related to the Scope, definitions, and §3. Terms and Concepts. Mr. Lapham reported that the full Committee convened and reviewed the comments that were received during the public call. Additionally, the call summaries of the working group have been posted on the Commission website, specifically under Product Standards Committee listing on the About the IIPRC page. As the Committee proceeds with the review of these uniform standards, updated working drafts of the uniform standards will be made available on the IIPRC website along with the applicable call summary. There were no questions or comments for Mr. Lapham. As this was a Management Committee action item, Commissioner Murphy made a motion to adopt the Report of the Product Standards Committee and Ms. Mealer seconded the motion. A voice vote of the Management Committee was taken and the motion passed.

Commissioner Sevigny proceeded to the Report and Recommendation of the Technology Committee which was provided by Mr. Hamby. Mr. Hamby announced that the Technology Committee did not have a recommendation to make. The Technology Committee made a recommendation to the Management Committee on October 20th to implement SERFF Filing Access (SFA) for publicly accessible Commission product filing submissions. As part of this recommendation, the Technology Committee stated that they would work with the NAIC SERFF Team in making updates to SFA to incorporate the Statement of Intent (SOI) Schedule. The IIPRC Office and the NAIC SERFF Team have begun the initial process of implementing the SOI Schedule into SFA. Ms. Schutter provided a brief update regarding the work with the IIPRC Office and the NAIC SERFF Team. Commissioner Sevigny asked for comments on the report and Ms. Waitt agreed with the stated importance of the SOI Schedule and appreciated the extra work that is being done to have this in SFA. Mr. Birnbaum thanked the IIPRC for deciding to add the SOI schedule in the SFA and agreed with Ms. Waitt’s comments. With no further questions or comments, and as this was a Management Committee action item, Ms. Waitt made a motion to adopt the Report of the Technology Committee and Ms. Nguyen seconded the motion. A voice vote of the Management Committee was taken and the motion passed.

Commissioner Sevigny moved to the Management Committee Consideration to Approve amendments to the 19 Uniform Standards Subject to Phases 2, 3, and 4 of the Five-Year Review as Issued on September 8th. Mr. Lapham provided a brief summary of the Product Standards Committee’s work on the amendments to the Uniform Standards. Commissioner Consedine made a motion to approve all the amendments to the Uniform Standards issued on September 8th, and Commissioner Murphy seconded the motion. Ms. Schutter took a roll call vote of the Management Committee and the motion passed.

Commissioner Sevigny proceeded to the Commission Consideration to Adopt the Uniform Standards Subject to Phases 2, 3, and 4 of the Five-Year Review as just approved by the Management Committee. Commissioner Clark made a motion and Commissioner Lindeen seconded the motion. A voice vote was
taken and the motion passed. Commissioner Sevigny explained that the amended Uniform Standards would be promulgated for a 90-day period in the next 10 business days.

Commissioner Sevigny proceeded to the approval of the 2015 Annual Budget, and Commissioner Murphy provided a brief summary of the Finance Committee’s work on the Budget and resource recommendation. Commissioner Sevigny asked for a motion from a member of the Management Committee to approve the 2015 Annual Budget as issued on October 14th. Commissioner Kobylowski made a motion and Ms. Cali seconded the motion. A voice vote was taken and the motion passed.

Commissioner Sevigny moved to the Commission adoption of the 2015 Annual Budget just approved by the Management Committee. Ms. Mealer made a motion to adopt the budget, while Commissioner Weyne seconded the motion. A voice vote was taken, and the motion passed.

The next agenda item was the Management Committee Consideration of Approval of the Technology Committee Recommendation. Commissioner Sevigny explained that approval of the recommendation would implement the current version of SFA on December 1st with the understanding that the SOI Schedule will be available in a future release in the first quarter of 2015. Ms. Waitt made a motion to approve the Technology Committee Recommendation and Commissioner Consedine seconded the motion. Commissioner Sevigny took a voice vote of the Management Committee and the motion passed.

Commissioner Sevigny advanced to the Management Committee Consideration of Approval of Meeting Minutes of the August 15th Joint Meeting of the Management Committee and Commission. Commissioner Consedine made a motion to approve the minutes and Commissioner Murphy seconded the motion. A voice vote was taken and the motion passed.

Commissioner Sevigny continued to the Commission Consideration to adopt the same meeting minutes as approved by the Management Committee. Commissioner Clark made a motion to adopt the meeting minutes, while Ms. Lohmann seconded the motion. A voice vote was taken and the motion passed.

Commissioner Sevigny explained that at each Annual Meeting, the Commission officially forms the Management Committee for the upcoming annual period. The composition of the Management Committee is governed by the Compact statute and the selection process is laid out in Article 3 of the Commission Bylaws. The 14-member Management Committee is based on representation from the Member states as follows: six Member states with the largest premium volume are automatically on the Management Committee; four seats are allotted to Member states with more than 2% of premium volume -- other than the six largest -- and is based on an annual rotation procedure; and four seats are allotted to Member states with less than 2% of premium volume selected to represent each of the four NAIC zones. The six largest compacting states based on premium volume are: Texas, Pennsylvania, New Jersey, Illinois, Ohio, and Michigan. The Management Committee members representing the states with 2% or more of the premium volume are Massachusetts, Minnesota, Missouri, and Virginia. For those states with less than 2% of the premium volume, each zone selects their representative: New Hampshire will continue to represent the Northeastern Zone; Puerto Rico will represent the Southeastern Zone; Oklahoma will continue to represent the Midwestern Zone; and Oregon will continue to represent the Western Zone.

Commissioner Sevigny announced that the next agenda item was to elect the IIPRC Officers – Chair, Vice Chair, and Treasurer - for the coming annual period. Under the IIPRC bylaws, the Officers are elected by the entire Commission but must be from the membership of the Management Committee. Commissioner Sevigny proceeded to open the floor for nominations for the office of Chair of the Commission. Superintendent Torti made a motion to nominate a slate for Chair, Vice Chair, and Treasurer. Superintendent Torti nominated Massachusetts Insurance Commissioner and current IIPRC Treasurer Murphy for the office of Chair; New Jersey Commissioner Kobylowski for the office of Vice
Chair; and Virginia Commissioner Cunningham for the office of Treasurer. Director Ramge seconded the
motion. There were no other nominations. Commissioner Considine then made a motion to close the
nominations and elect by acclamation the nominated slate of Commissioners Murphy, Kobylowski, and
Cunningham for Chair, Vice Chair, and Treasurer, respectively. Commissioner Lindeen seconded the
motion. A voice vote was taken and the motion passed.

Commissioner Sevigny moved to the Treasurer’s Report, which was provided by Commissioner Murphy.
Commissioner Murphy noted that through October 30th, the Commission has received $1,389,552 in self-
generated revenue since January 1, 2014 – which is an 11% increase over October 2013. The
Commission’s revenue has shown positive growth, and actual revenues are approximately 1% above the
2014 Budget for self-generated revenues. More specifically, the Commission has collected: $606,977 in
Compact Filing Fees – an increase of 11% over October 2013; and $782,575 in Annual Registration Fees
– 189 companies have registered. The Commission has collected $1,871,074 in state filing fees, which are
remitted directly to the Member States. This is almost a 27% increase over the amount collected and
remitted as of October 2013. Commissioner Murphy concluded the report and there were no questions.

As the final agenda item, Ms. Schutter provided the Operational Update of the IIPRC and gave an update
on recent Compact filing and registration statistics. Ms. Schutter announced that the IIPRC Office has
been working with the SERFF team to implement SFA for the IIPRC and Compact filings. The SOI
Schedule is expected to be available in a future release in the first quarter of 2015. As there were no
further matters or questions, Commissioner Praeger made a motion to adjourn and the meeting was
adjourned.