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February 16, 2007

Ms. Frances Arricale, Executive Director
Interstate Insurance Compact Regulation Commission
444 North Capitol Street N.W.
Washington, D.C. 20001-1509

Re: Public Comments on Proposed Operating Procedure for the Filing and Approval
of Product Filings

Dear Ms. Arricale:

The Vermont Department of Banking, Insurance, Securities and Health Care Administration (the "Department") respectfully submits proposed revisions to the Proposed Operating Procedure for the Filing and Approval of Product Filings as approved by the Management Committee of the Interstate Insurance Compact Regulation Commission (the "Commission"). The proposed revisions are set forth the enclosed Attachment, with changes indicated in underline text.

The proposed revisions would clarify the requirements with respect to the payment of fees by insurers filing products with the Commission. To summarize these revisions:

- the Commission will have primary responsibility for collection of all applicable filing fees, including state filing fees, and the determination that an insurer has submitted the correct amount of all filing fees, including state filing fees.

We acknowledge that initially the Commission may require assistance from the Compacting States to determine the correct amount of state filing fees. We suggest that arrangements for such assistance be addressed by the Executive Director and the Management Committee as part of administration of this Operating Procedure, rather than through specific provisions in the Procedure itself.

- the Commission will issue an Objection Letter for any filing that does not include the full amount of filing fees due, including state filing fees. A filing will remain pending until the insurer remits all fees due;



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- if a product filing is approved and it is subsequently determined that the insurer has not paid all applicable filing fees, the Commission will collect any deficiency from the insurer. Though the Commission will have primary responsibility to collect all applicable filing fees, a Compacting State retains all powers and authority to collect filing fees applicable in such state.

We would be happy to discuss any of these proposed revisions with you further.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paulette Thabault", with a long horizontal flourish extending to the right.

Paulette Thabault
Commissioner

enc:

c: Mary Jo Hudson, Director
Ohio Department of Insurance

**INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
OPERATING PROCEDURE
FOR THE FILING AND APPROVAL OF PRODUCT FILINGS**

§ 101. Purpose.

Pursuant to Article X of the Model Interstate Insurance Product Regulation Compact (“Compact”), as enacted into law by each Compacting State, and Article III of the Bylaws of the Interstate Insurance Product Regulation Commission, this Rule establishes the procedures for filing and approval of Product Filings with the Commission. This Rule shall apply to the filing and approval of all Product Filings, except to the extent specifically provided herein.

§ 102. Definitions.

(a) Except as specifically defined herein, the terms as defined in Article II of the Compact shall have the same meaning in this Rule as if such definitions were set forth fully herein.

(b) “Advertisement” means any advertisement as defined in Article II, Section 1 of the Compact that is subject to review and approval requirements adopted by the Commission in accordance with Article IV, Section 4 of the Compact.

(c) “Commission” means the Interstate Insurance Product Regulation Commission.

(d) “Communications” are written communications that may be sent via mail, delivery service, facsimile, email, or SERFF.

(e) “Compact” means the Model Interstate Insurance Product Regulation Compact enacted in each of the Compacting States.

(f) “Days” means calendar days.

(g) “Disposition Report” means a communication sent by the Commission to a Product Filer that includes final action taken by the Commission with respect to a Product Filing.

(h) “Filing Requirement” means a requirement of SERFF, any applicable Uniform Standard, or any Rule or Operating Procedure of the Commission related to the information, documents and fees that must be submitted as part of a Product Filing.

(i) “Objection Letter” is a communication sent by the Commission to a Product Filer that identifies one or more specific problems with a Product Filing.

(j) “Product Filer” means an Insurer or Third-Party Filer that has made a Product Filing with the Commission.

(k) “Product Filing” means a filing submitted to the Commission for approval of a Product, Rate or Advertisement in accordance with one or more Uniform Standards.

(l) “Rate” means a rate or rating system that is subject to a disability income or long term care insurance Uniform Standard, which is filed with the Commission pertaining to a Product, and which includes, but is not limited to, rating plans and schedules, actuarial memoranda, and documentation pertaining to rates and loss ratios.

(m) “SERFF” means the System for Electronic Rate and Form Filing.

(n) “Review Period” means the period of time within which the Commission shall review and approve or disapprove a Product Filing in accordance with Section 105 of this Rule.

(o) “Trade secret” shall have the same meaning as in one or more rules adopted by the Commission governing “trade secrets.”

§ 103. Product Filing Requirements.

(a) The Commission hereby adopts the requirements and procedures established by SERFF with respect to Product Filings, as such may be amended from time to time, unless otherwise disapproved or modified by the Management Committee of the Commission.

(b) A Product Filer seeking approval from the Commission of a Product, Rate or Advertisement shall submit a Product Filing to the Commission via SERFF that shall comply with all applicable Filing Requirements, except as provided for in Section 109 of this Rule.

(c) As part of a Product Filing and in accordance with procedures established by the Commission, a Product Filer shall identify the Uniform Standards applicable to the Product Filing.

(d) At the time a Product Filing is made, the Product Filer shall pay the transaction fees of SERFF, the fees of the Commission, and the filing fees of those Compacting States selected by the Product Filer in which the Insurer is legally authorized to do business that have not opted out of a Uniform Standard applicable to the Product Filing. Separate filing and transaction fees shall be paid for each Insurer to which the Product Filing relates.

(e) A Product Filer may withdraw a Product Filing by submitting a written request for withdrawal to the Commission, in which case no fees shall be returned to the Product Filer and the Product Filing shall be closed.

§ 104. Product Review and Objection Letters.

(a) The Commission shall review each Product Filing.

(b) If the Commission determines that a Product Filing does not meet an applicable Uniform Standard or Filing Requirement, or that the Product Filing does not include all fees payable with respect to the Product Filing pursuant to Section 103(d), the Commission shall, in its discretion, send an Objection Letter to the Product Filer identifying the specific problems with the Product Filing or send a Disposition Report indicating that the Product Filing has been disapproved and include the specific reasons for the disapproval.

(c) An Objection Letter shall not, in and of itself, be considered a disapproval of a Product Filing.

(d) An Objection Letter may include a deadline for the Product Filer to submit a response, in which case the Commission will not take final action with respect to the Product Filing that is the subject of the Objection Letter until after such deadline has passed.

(e) A response by a Product Filer to an Objection Letter may, where appropriate, include additional or amended information, documents or initial filing fees to be included in a Product Filing.

(f) The Commission shall not be required to issue an Objection Letter before disapproving a Product Filing except that the Commission shall issue an Objection Letter if the Commission determines that the Product Filing does not include all fees payable with respect to the Product Filing pursuant to Section 103(d).

§ 105. Product Approval or Disapproval.

(a) No Insurer shall, under authority of the Compact, market, deliver, issue for delivery or use in any Compacting State any Product, Rate or Advertisement that has been filed with the Commission unless the Product Filing has been approved by the Commission in accordance with this Rule.

(b) The Commission shall review and approve or disapprove each Product Filing within a period of 60 days from the date the Product Filing is submitted, except in the following circumstances:

(1) the Product Filer has received an Objection Letter from the Commission, in which case the Commission may extend the Review Period by the number of days between the date the Objection Letter was sent and the date a response was received;

(2) the Commission may extend the Review Period for any Product Filing by an additional number of days not to exceed 30 days;

(3) the Product Filer enters into a written agreement with the Commission to extend the Review Period, in which case the agreed upon Review Period shall apply;

(4) the Management Committee determines that the number of Product Filings pending with the Commission exceeds the Commission's ability to process those Product Filings within otherwise allowable Review Periods under current Commission staffing levels, and by majority vote of a quorum present at a Management Committee meeting decides to extend the Review Period by a fixed number of days with respect to Product Filings received within a fixed period.

(c) Each month, the Executive Director shall file a report with the Management Committee with respect to any Product Filing that, during the prior month, has had its Review Period extended under paragraph (b)(2) of this Section.

(d) If the Commission determines that the Product Filing complies with all Uniform Standards and Filing Requirements applicable to the Product, Rate or Advertisement being reviewed, the Product Filing shall be approved. If the Commission determines that the Product Filing does not comply with a Uniform Standard or Filing Requirement applicable to the Product, Rate or Advertisement being reviewed, the Product Filing shall not be approved.

(e) The Commission shall send a Disposition Report to the Product Filer indicating whether a Product Filing has been approved or disapproved. If a Product Filing is disapproved, the Disposition Report shall include the specific reasons for the disapproval, which shall be limited to only the Filing Requirements applicable to the Product Filing being disapproved.

(f) No fees collected by SERFF or the Commission with respect to a Product Filing shall be returned.

(g) A disapproved Product Filing shall be closed, and no additional or amended information or documents will be accepted, except as may be provided for in connection with an appeal in accordance with Section 107 of this Rule.

(h) A Product Filing that is approved shall be approved only for those Compacting States that were selected by the Product Filer in which the Insurer is legally

authorized to do business that have not opted out of a Uniform Standard applicable to the Product Filing.

(i) Notwithstanding any other provision of this Section 105, the Commission shall not approve a Product Filing unless it determines that the Product Filer has paid all of the fees required by Section 103(d). In the event a Product Filing is approved and it is subsequently determined that the filing fees remitted by the Product Filer were insufficient, the Commission shall collect any additional required fees directly from the Product Filer. Nothing herein shall be construed to limit the authority of the Compacting States with respect to the collection of fees and charges in the event the Commission fails to collect all state filing fees applicable to a Product Filing.

§ 106. Expansion of a Filing to a New Compacting State.

If a Product Filing has been approved, and the Product Filer subsequently seeks to extend the use of the Product Filing to another Compacting State, the Product Filer may, in accordance with procedures established by the Commission and SERFF, re-open a Product Filing to select another Compacting State where the Product Filing will be used. With respect to such transaction, the Commission and SERFF may charge fees consistent with paragraph (d) of Section 103 of this Rule, provided that the state filing fees to be collected shall be limited to the fees of the new or additional Compacting State. A Product Filing shall not be approved for use in such new or additional Compacting State until the Product Filer has paid all filing fees of such Compacting State applicable to such Product Filing.

§ 107. Appeals.

If a Product Filing has been disapproved, the Product Filer may appeal the determination in accordance with Article XI of the Compact, subject to rules established by the Commission related to appeals.

§ 108. Reconsideration of Product Approvals.

The Commission shall have authority to monitor, review and reconsider approval of Products, Rates and Advertisements subsequent to their filing or approval by the Commission. The Commission may withdraw or modify its approval of a Product Filing upon a finding that a Product, Rate or Advertisement that was the subject of the Product Filing does not meet a relevant Uniform Standard, but only after proper notice and opportunity for hearing, and subject to the appeals process set forth in Article XI of the Compact.

§ 109. Self-Certification.

Nothing in this Rule shall be construed to restrict or otherwise prevent an Insurer from obtaining approval of a Product, Rate or Advertisement in accordance with Rules adopted by the Commission for self-certification of Products, Rates or Advertisements.

§ 110. State Filings.

(a) Nothing in this Rule shall be construed to restrict or otherwise prevent an Insurer from filing its Products, Rates or Advertisements with the insurance department in any State wherein the Insurer is licensed to conduct the business of insurance and, in such case, the filing shall be subject to the laws of the State where filed.

(b) Products filed with a State but not with the Commission may not be amended or supplemented by a Product Filing with the Commission.

§ 111. Trade Secrets.

If a Product Filing or an Objection Letter contains trade secrets, the Product Filer may identify those portions of the Product Filing or Objection Letter that contain trade secrets and seek to protect their disclosure in accordance with one or more rules established by the Commission governing trade secrets and procedures adopted by SERFF.

§ 112. Adoption; Effective Date.

This Rule was adopted by the Commission on _____, pursuant to the procedures set forth in the Rule for Adoption, Amendment and Repeal of Rules for the Interstate Insurance Product Regulation Commission. This Rule is effective on _____.