

**Minutes of the Meeting of the
Interstate Insurance Product Regulation Commission (IIPRC)
Friday June 12, 2009**

Members of the Commission in Attendance:

Commissioner Jane L. Cline, Chair, West Virginia
Director Mary Jo Hudson, Ohio
Sue Ezalarab as a designated representative for Commissioner Sean Dilweg, Treasurer, Wisconsin
Director Linda Hall, Alaska
Margaret Witten as a designated representative for Commissioner John Oxendine, Georgia
Marilyn Niimi as a designated representative for Shelley Santo, Hawaii
John Kissling as a designated representative for Director Jim Atterholt, Indiana
Linda Sheppard as a designated representative for Commissioner Sandy Praeger, Kansas
Commissioner Sharon Clark, Kentucky
Ron Henderson as a designated representative for Commissioner James J. Donelon, Louisiana
Eric Cioppa as a designated representative Superintendent Mila Kofman, Maine
Karen Hornig as a designated representative for Commissioner Ralph S. Tyler III, Maryland
Joe Murphy as a designated representative for Commissioner Nonnie Burnes, Massachusetts
Joan Moiles as a designated representative for Commissioner Kenneth Ross, Michigan
Commissioner Glenn Wilson, Minnesota
Director Ann Frohman, Nebraska
Michael Wilkey as a designated representative for Commissioner Roger A. Sevigny, New Hampshire
Brad Harker as a designated representative for Commissioner Joel Ario, Pennsylvania
Yvette Domenech-Avilés as a designated representative for Commissioner Ramon Cruz-Colon, Puerto Rico
Elizabeth Dwyer as a designated representative for Superintendent Joseph Torti III, Rhode Island
Commissioner Leslie A. Newman, Tennessee
Sara Waitt as a designated representative for Commissioner Mike Geeslin, Texas
Commissioner Kent Michie, Utah
Commissioner Paulette Thabault, Vermont
Don Beatty as a designated representative for Commissioner Alfred W. Gross, Virginia
Leslie Krier as a designated representative for Commissioner Mike Kreidler, Washington
Commissioner Ken Vines, Wyoming

Regulator Staff in Attendance:

Peg Brown, Colorado
Ron Henderson, Louisiana
Manny Munson-Regala, Minnesota
Brian Pennington, Minnesota
Barbara Richardson, New Hampshire
Tom Bowling, New Mexico
Ted Hamby, North Carolina
Alan Furan, Ohio
Shawn Hawk, Tennessee
Neal Gooch, Utah
Betsy Jerome, Utah
Herb Olson, Vermont
Mary Jane Pickens, West Virginia

Members of the Legislative Committee in attendance:

Representative Robert Damron, Kentucky
Representative Brian Patrick Kennedy, Rhode Island
Susan Nolan, National Conference of Insurance Legislators (NCOIL) Executive Director

Candace Thorson, NCOIL

Members of the Industry Advisory Committee in attendance:

Maureen Adolf, Prudential Insurance Company of America
Steve Buhr, AEGON
Thomas English, New York Life Insurance Company
Dennis Herchel, Massachusetts Mutual Life Insurance Company
Michael Lovendusky, American Council of Life Insurers (ACLI)
Randi Reichel, America's Health Insurance Plans (AHIP)

Members of the Consumer Advisory Committee in attendance:

T. Ryan Wilson, American Association of Retired Persons (AARP)
Brendan Bridgeland, Center for Insurance Research
Ken Libertoff, Vermont Association for Mental Health

IIPRC Staff in attendance:

Karen Schutter, Executive Director
Sara Dubsy, Operations Manager
Karyn Onyeneho, Administrative Assistant
Alice Fontaine, Actuarial Consultant
David Morris, Product Review Consultant
Charlie Rapacciuolo, Development Consultant

NAIC Staff in attendance:

Kay Noonan, General Counsel
Becky McElduff, Senior Counsel
Julie Fritz, Director of Insurance Products and Services
Amanda Yanek, Government Relations Policy Analyst
Jolie Matthews, Senior Health and Life Policy Advisor and Counsel

Commissioner Cline called the meeting of the Interstate Insurance Product Regulation Commission (IIPRC) to order. Commissioner Cline addressed the first item on the agenda, a report of the Management Committee.

Commissioner Cline noted that the Management Committee had just met. Commissioner Cline stated that during the Management Committee meeting, the Compact welcomed two (2) of its newest members—Mississippi and New Mexico, and noted that membership for both states will become effective by July 1. Commissioner Cline advised that the state legislature in Missouri is in the process of approving Compact legislation by August and noted that this will grow Compact membership to 36 states.

Commissioner Cline stated that during a joint meeting of the Management Committee and Commission, which was held on June 10, both Committees unanimously approved Karen Z. Schutter as the permanent Executive Director of the IIPRC.

Commissioner Cline stated that a public hearing was conducted prior to the Management Committee meeting for the purpose of receiving comments regarding Amendments to Individual Immediate Non-Variable Annuity Contract Standards as pertains to structured settlements. Commissioner Cline noted that the amendments to the Operating Procedure for the Filing and Approval of Product Filings (Product Filing Rule) pertaining to “mix and match” are currently in a 60-day public comment period until July 6. Commissioner Cline noted that it is anticipated that the Management Committee will take action on the proposed amendments to the rule at its July 27th meeting. Commissioner Cline reported that comments regarding the amendments to the Product Filing Rule were received from members of the Industry Advisory Committee as

well as the Consumer Advisory Committee. Commissioner Cline stated that the Management Committee approved the Amendments to Individual Immediate Non-Variable Annuity Contract Standards with regard to structured settlements.

Commissioner Cline stated that the Finance Committee reported that it is working with the IIPRC Office to draft an annual budget for 2010 and that the Committee will convene a public Finance Committee call in July to receive comments on the draft before making a recommendation to the Management Committee.

Commissioner Cline stated that the Communications Committee provided a report which indicated that the 2008 Annual Report was recently reviewed by the Committee; and copies of the report were distributed to Compact Members at the Management Committee meeting. Commissioner Cline stated that during the report of the Communications Committee, Mr. Ridgeway informed the Management Committee that interested parties were very responsive to the formation of the IIPRC focus group; and that this demonstrates the interest of parties who want the IIPRC to succeed within its operational success. Commissioner Cline reported that the Communications Committee will finalize the formation of the focus group following the Summer National Meeting. Commissioner Cline noted that the Communications Committee approved a template for a web link, which serves the purpose of allowing access to the IIPRC web site from the IIPRC members' web sites; and that the Committee advised Compact members that an email would be sent to provide instructions on how to post the link. Commissioner Cline also stated that Mr. Ridgeway encouraged members to contact the IIPRC Office to establish a webinar or an in-person meeting in order to demonstrate to their domestic companies the benefits of the IIPRCs one-stop product filing system.

Commissioner Cline stated that Commissioner Voss provided an overview of enhancements that are currently being worked on in the System for Electronic Rate and Form Filing (SERFF). Commissioner Cline stated that the Technology Committee reported that enhancements to SERFF will allow states the ability to search and track "mix and match" product filings and noted that these enhancements were approved by the Management Committee on April 27. Commissioner Cline stated that the IIPRC Office will collaborate with the Technology Committee in the coming months with regard to the SERFF enhancements.

Commissioner Cline stated that during the report of the Product Standards Committee, it was indicated that the Product Standards Committee continues to meet diligently to discuss long-term care standards and that the Committee will extend its meetings accordingly in order to meet a target date for the development of long-term care standards. Commissioner Cline advised that Commission members were provided copies of the current development of Uniform Standards in their materials.

Commissioner Cline stated that the Rulemaking Committee provided an overview of the amendments to the Product Filing Rule. Commissioner Cline stated that the Rulemaking Committee will hold a public conference call this summer in order to begin working on a set of guiding principles in reference to the IIPRC's self-certification process.

Commissioner Cline stated that the Management Committee approved the meeting minutes from the April 27, 2009 Management Committee meeting.

Commissioner Cline stated that an IIPRC operational update was provided during the Management Committee meeting in which product filing statistics were reviewed. Commissioner Cline advised that copies of the product filings statistics were distributed in advance of the Commission Meeting.

Commissioner Cline stated that during the Management Committee meeting, comments were received from Lee Covington, Senior Vice President and General Counsel with NAVA, the Association for Insured Retirement Solutions.

Commissioner Cline asked if there were any questions pertaining to the report of the Management Committee. Hearing none, Commissioner Cline asked for a motion to adopt the report of the Management Committee. Commissioner Michie made a motion and Mr. Belo seconded the motion. Commissioner Cline asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Commissioner Cline proceeded to the next item on the agenda, a report of the Audit Committee and consideration to adopt the report; and asked Commissioner Michie to make this report. Commissioner Michie reported that the Audit Committee held a joint conference call with the Finance Committee in April for the purpose of reviewing IIPRC Financial Statements along with 2009 budget projections. Commissioner Michie reported that the Audit Committee continues to closely monitor the financial development of the IIPRC in order to ensure that the IIPRC is able to cover its expenses with actual revenue and existing lines of credit. Commissioner Michie stated that the Audit Committee and the Finance Committee are in concurrence with the IIPRC being able to demonstrate positive trends in reference to company registrations and product filings. Commissioner Michie also stated that the IIPRC is operating well below budgeted expenses through the first and second quarters of the year and noted that the IIPRC expects to be able to manage expenses and revenues within its current 2009 line of credit from the National Association of Insurance Commissioners.

Commissioner Cline asked if there were any questions for Commissioner Michie regarding the report of the Audit Committee. Hearing none, Commissioner Cline asked for a motion to adopt the report of the Audit Committee. Mr. Beatty made a motion and Director Frohman seconded the motion. Commissioner Cline asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Commissioner Cline turned to the next item on the agenda, consideration to adopt the Amendments to Individual Immediate Non-Variable Annuity Contract Standards as pertains to structured settlements, which was approved by the Management Committee. Commissioner Cline asked for a motion to adopt the Uniform Standards. Ms. Waitt made a motion and Ms. Ezalarab seconded the motion. Commissioner Cline asked if there were further discussion. Hearing none, a roll call vote was taken and the motion passed unanimously.

Commissioner Cline moved to the next item on the agenda, consideration of the meeting minutes from April 30, 2009 Commission Meeting. Commissioner Cline stated that edits to the minutes were received and incorporated into the minutes. Commissioner Cline asked if there were any other edits to be considered. Hearing none, Commissioner Cline asked for a motion to adopt the April 30, 2009 Commission meeting minutes. Mr. Beatty made a motion and Director Hudson seconded the motion. Commissioner Cline asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Commissioner Cline asked if there were any other matters. Hearing none, Commissioner Cline asked for a motion to adjourn the meeting. Mr. Beatty made a motion and Mr. Henderson seconded the motion. The meeting was adjourned by a unanimous voice vote.