



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

REVISED AGENDA

Monday, April 25, 2011

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

1. [Roll Call](#)
2. [Report of the Finance Committee and Consideration by the Management Committee to Approve the Report of the Finance Committee](#)
3. [Report and Recommendation of the Product Standards Committee and Consideration by the Management Committee to Approve the Report and Recommendation of the Product Standards Committee](#)
4. [Report of the Rulemaking Committee and Consideration by the Management Committee to Approve the Report of the Rulemaking Committee](#)
5. [Management Committee Consideration of Approval of Amendments to Uniform Standards Issued on February 3, 2011](#)
 - ~~a) Amendments to Core Standards for Individual Long-Term Care Insurance Policies;~~
 - b) Amendments to Rate Filing Standards for Individual Long-Term Care Insurance (Issue Age Rate Schedules Only);
 - c) Amendments to Rate Filing Standards for Individual Long-Term Care Insurance (Modified Rate Schedules); and
 - d) Amendments to Standards for Forms Required to Be Used with an Individual Long-Term Care Insurance Application.
6. [Commission Consideration of Adoption of Amendments to Uniform Standards as Approved by the Management Committee](#)
7. [Management Committee Consideration of Approval of Meeting Minutes of the March 25 Joint Meeting of the Management Committee and Commission](#)
8. [Commission Consideration of Adoption of Meeting Minutes of the March 25 Joint Meeting of the Management Committee and Commission](#)
9. [Operational Update](#)
10. Any Other Matters
11. Adjourn

**Minutes of the Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation
Commission
Monday, April 25th, 2011**

Members of the Management Committee in attendance:

Commissioner Roger Sevigny, Chair, New Hampshire
Commissioner Wayne Goodwin, Vice Chair, North Carolina
Matt Barton, as a designated representative for Director John Huff, Missouri
Cindy Colonius, as a designated representative for Commissioner Michael McRaith, Illinois
Commissioner Sandy Praeger, Kansas
Acting Commissioner Beth Sammis, Maryland
Amy Allen, as a designated representative for Commissioner Clinton, Michigan
Aaron Sisk, as a designated representative for Commissioner Mike Chaney, Mississippi
Felix Schirripa, as a designated representative for Commissioner Tom Considine, New Jersey
Cathy Geyer and Sue Real, as designated representatives for Director Mary Taylor, Ohio
Brad Harker, as a designated representative for Acting Commissioner Michael Considine, Pennsylvania
Sara Waitt, as a designated representative for Commissioner Mike Geeslin, Texas
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

Members of the Commission in attendance:

Director Linda S. Hall, Alaska
Interim Commissioner John Postolowski, Colorado
Justin Durrance, as a designated representative for Commissioner Ralph Hudgens, Georgia
Rebecca Vaughn, as a designated representative for Commissioner Stephen Robertson, Indiana
Commissioner Sharon Clark, Kentucky
Commissioner James Donelon, Louisiana
Eric Cioppa, as a designated representative for Superintendent Mila Kofman, Maine
Brian Pennington, as a designated representative for Mike Rothman, Minnesota
Director Bruce Ramage, Nebraska
Denise Engle as a designated representative for Commissioner John Doak, Oklahoma
Beth Dwyer as a designated representative for Superintendent Joseph Torti III, Rhode Island
Carla Griffin, as a designated representative for Director David Black, South Carolina
Commissioner Julie Mix McPeak, Tennessee
Commissioner Neal Gooch, Utah
Susan Donegan, as a designated representative for Commissioner Steve Kimball, Vermont
Commissioner Ken Vines, Wyoming

State Regulators in attendance:

Mark McClafflin, Kansas
Linda Sheppard, Kansas
Stephanie McGaughey, Kentucky
Malinda Shepherd, Kentucky
Ron Henderson, Louisiana
Holly Blanchard, Nebraska
John Rink, Nebraska
Ted Hamby, North Carolina
Frank Stone, Oklahoma
Sol Marrero, Puerto Rico
Shawn Hawk, Tennessee
Betsy Jerome, Utah
Tomasz Serbinowski, Utah
Peter Greff, Wyoming

Interested Regulators in attendance:

Mary Kosinski, Arizona Department of Insurance
Doris Kullman, New York Department of Insurance
Austin Rinella, New York Department of Insurance

Members of the Legislative Committee in attendance:

Jordan Estay, National Conference of Insurance Legislators (NCOIL)
Senator Delores Kelley

Members of the Industry Advisory Committee in attendance:

Tom English, New York Life Insurance Company
Mary Keim, State Farm Insurance Company
Marie Roche, John Hancock

Members of the Consumer Advisory Committee in attendance:

Sonja Larkin-Thorne, NAIC Consumer Liaison Representative

Interested Parties in attendance:

Karen Alvarado, Insured Retirement Institute
Hugh Barrett, Mass Mutual
Nancy Johnson, Unum
Daniel Pouliot, Mass Mutual
Drema Ruzika, Nationwide

IIPRC staff in attendance:

Karen Schutter, Executive Director
Sara Dubsy, Operations Manager
MacKenzie Heidelberg, Administrative Coordinator
Alice Fontaine, Actuarial Consultant
Maureen Hart Perry, 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 proceeded to the first item on the Agenda and called on Commissioner Donelon to make a report of the Finance Committee. Commissioner Donelon reported that the Finance Committee met with the IIPRC office the previous week to review financial statements from February and the IIPRC has a cash balance of a little over \$400,000 and operating expenses are under budget. Commissioner Donelon also reported that the IIPRC currently has 105 companies registered, which is 20 registrations ahead of where the IIPRC was last year at this time. The IIPRC is behind on budget expectations for the end of April and in the number of regional companies that are registered. Commissioner Donelon noted that the IIPRC retained a full time product review consultant and is in the final stages of hiring a full time actuarial consultant. Commissioner Donelon concluded his report of the Finance Committee.

Commissioner Sevigny asked if there were any questions or comments regarding the report of the Finance Committee. There were no comments. Commissioner Sevigny asked for a motion from a member of the Management Committee to adopt the report of the Finance Committee. Commissioner Goodwin made a motion and Ms. Berendt seconded. Commissioner Sevigny asked if there were any objections to taking a roll call vote in lieu of a voice vote since there were no recommendations in Commissioner Donelon's report. There were no objections, a voice vote was taken and the motion was adopted.

Commissioner Sevigny moved to the next item on the Agenda and called on Ms. Ezalarab to make a report of the Product Standards Committee. Ms. Ezalarab reported that the Product Standards Committee was recommending five (5) new uniform standards for individual disability income insurance. Ms. Ezalarab noted that the specific uniform standards being recommended are for the: application, policy, outline of coverage, initial rate filings and revised rates for individual disability income insurance. Ms. Ezalarab explained that there are a few other uniform standards that the Product Standards Committee is still working on and will recommend shortly. Ms. Ezalarab explained that the Product Standards Committee conducted a comprehensive review of the uniform standards against the Long -Term Care standards so that key language that was developed with the individual Long Term Care standards and language they felt was appropriate to apply to the individual disability income standards was included in the draft uniform standards. Ms. Ezalarab noted that the Product Standards Committee received comments on the uniform standards during a public call on April 12th. Ms. Ezalarab concluded her report of the Product Standards Committee.

Commissioner Sevigny noted that the Product Standards Committee is recommending the initial set of the individual disability income uniform standards. Commissioner Sevigny explained that the recommendation is for the Management Committee to publish the uniform standards for the 60-day notice and comment period. Commissioner Sevigny noted that there will be opportunities to provide comments during the 60-day comment period and a public hearing will be scheduled. Commissioner Sevigny asked if there were any questions or comments regarding the report of the Product Standards Committee. There were no comments.

Commissioner Sevigny then asked for a motion from a member of the Management Committee to adopt the report of the Product Standards Committee including the recommendation to publish the recommended set of individual disability income uniform standards for a 60-day notice and comment period. Mr. Barton made a motion and Commissioner Sammis seconded. Commissioner Sevigny asked if there was any further discussion. Hearing none, Ms. Schutter took a roll call vote and the motion was carried unanimously.

Commissioner Sevigny noted that the uniform standards would be published on Docket section of the Commission's website.

Commissioner Sevigny moved to the next item on the Agenda and asked Mr. Beatty to make a report of the Rulemaking Committee.

Mr. Beatty reported that the Rulemaking Committee had not met since its last report to the Management Committee at in-person meeting in Austin. Mr. Beatty noted that a subcommittee of the Rulemaking Committee is drafting a proposed new provision to the Rulemaking Rule to authorize the Commission and its Committees to engage in advanced rulemaking. Mr. Beatty highlighted that Minnesota, Rhode Island and Tennessee are currently working on this provision. Mr. Beatty remarked that before the Rulemaking Committee makes a recommendation to the Management Committee, the Committee will hold a conference call to receive public comments on the proposed amendment to the Rulemaking Rule. Mr. Beatty concluded his report of the Rulemaking Committee.

Commissioner Sevigny asked if there were any questions or comments regarding the report of the Rulemaking Committee. Hearing none, Commissioner Sevigny asked for a motion from a member of the Management Committee to adopt the report of the Rulemaking Committee. Ms. Berendt made a motion and Mr. Barton seconded. Commissioner Sevigny asked if there were any objections to taking a roll call vote in lieu of a voice vote. There were no objections. A voice vote was taken and the motion was carried.

Commissioner Sevigny noted that the next two agenda items called for the consideration of amendments to the individual Long-Term Care Uniform Standards which were published for notice and comment on February 3rd. The Management Committee held a public hearing on these proposed amendments the previous month at the in-person meeting in Austin. Commissioner Sevigny then asked if there were any comments, there were no comments. Commissioner Sevigny noted that in accordance with Compact legislation and bylaws, a two-thirds vote in favor is required to adopt a Uniform Standard. Commissioner Sevigny then stressed the importance of participation in the meetings.

Commissioner Sevigny noted that in Austin, the Management Committee received comments regarding a proposed amendment to the Misstatement of Age provision which was the only amendment proposed to the Core Standards for Individual Long-Term Care Insurance Policies. Commissioner Sevigny stated that he exercised the Chair's prerogative and removed this particular amendment from this meeting agenda. Commissioner Sevigny explained that as he understood it, other issues and questions have arisen during the implementation of the individual Long-Term Care Uniform Standards that may or may not necessitate further amendments or clarification to the Uniform Standards. Commissioner Sevigny further explained that the proposed amendment regarding the Misstatement of Age arose when companies were preparing their products and realized a provision they believed was commonly allowed in states and this provision was not clearly addressed in the Uniform Standards. Commissioner Sevigny noted that the Product Standards Committee was asked to review the two Uniform Standards regarding rate filings and recommend amendments pertaining to the required annual reporting. Commissioner Sevigny highlighted that the Product Standards Committee spent five months reviewing comments and considering amendments to the two Rate Filing Uniform Standards. Commissioner Sevigny stated that no written or oral comments have been received since the amendments to the Rate Filing standards were published in early February. Commissioner Sevigny explained that the Management Committee will take action on these Rate Filing Standards as this was the original assignment to the Product Standards Committee back in August. Commissioner Sevigny further explained that the proposed amendment to the Core Standards to amend the misstatement of age provision will be tabled to allow more time for these Uniform Standards to be seasoned and the Management Committee can address at one time any issues that arise over the next several months as products are reviewed by the IIPRC.

Commissioner Sevigny then asked if there were any questions or comments. Senator Kelley suggested that having this amendment on hold, while nothing else specific has emerged might impact the extent to which the IIPRC will have filings in the interim. Ms. Schutter addressed Senator Kelley's concerns and explained that there has not been an implementation issue so far. Ms. Shepherd asked how the misstatement of age will be handled on the Long-Term Care filings until it is addressed in the standards. Ms. Schutter stated that it will be administered as if the termination or the misstatement of age outside of the issue age is not permitted because it's not permissive in the language. Ms. Schutter further explained that the IIPRC is not allowing it at this stage and the companies the IIPRC has worked with have either not put it in their filings or have removed it.

Commissioner Sevigny asked Ms. Ezalarab to give a brief overview of the amendments to the two Rate Filing Uniform Standards as well as the Standards for the Forms Required to be Used With the Application.

Ms. Ezalarab reported that the changes to the rate filing Uniform Standards will clarify various issues, starting with the proposed provision to the rate filing Uniform Standards. Ms. Ezalarab noted that the first set of changes are the result of a commitment made at the time of adoption to address whether the rate filing Uniform Standards are applicable to life insurance or annuity products with Long -Term Care benefits. Ms. Ezalarab explained that the additional amendments provide more specifics about the process that must be followed if a company reports that approved rates may no longer be sufficient under moderately adverse experience. Ms. Ezalarab noted that these amendments are proposed to be made to both the rate filing Uniform Standards. Ms. Ezalarab explained that the amendments to the Standards for Forms Required to be Used with the Application is regarding the suitability form that is required to be used with the Long Term Care application to correct a scrivener's error.

Commissioner Sevigny asked if there were any further comments. Ms. Roche thanked Ms. Ezalarab and Ms. Schutter for working through the technical revisions of the Uniform Standards.

Commissioner Sevigny asked for a motion from a member of the Management Committee to approve the amendments to the individual Long-Term Care Insurance Uniform Standards. Commissioner Goodwin made a motion and Mr. Barton seconded. Ms. Schutter then took a roll call vote and the motion was carried unanimously. Commissioner Sevigny then asked for a motion from a Commission member to adopt the Uniform Standards just approved by the Management Committee. Commissioner Clark made a motion and Director Ramge seconded. Ms. Schutter took a roll call vote and the motion passed unanimously.

The next item on the agenda was the approval of the meeting minutes from the March 25th 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. Mr. Sisk made a motion and Ms. Allen seconded.

Commissioner Sevigny asked if there were any comments. Hearing none, Commissioner Sevigny called for a voice vote. A voice vote was taken and the motion was carried. Commissioner Sevigny asked for a motion from a member of the Commission to adopt the meeting minutes that were just approved by the Management Committee. Commissioner Donelon made a motion and Commissioner Gooch seconded. A voice vote was taken and the motion was carried.

Commissioner Sevigny moved to the next item on the Agenda, and asked Ms. Shutter to provide an operational update. Ms. Schutter explained that the IIPRC Office is always available to work with states on questions about the IIPRC's process for individual Long Term Care filings. The Compact has approved two of those filings to date. Ms. Schutter reported that New Jersey recently asked the IIPRC Office to provide a letter to all IIPRC company filers asking that companies demonstrate compliance with their civil union law and annuity disclosure statement. Ms. Schutter reported that the IIPRC Office is still working with Illinois and will be making an announcement whenever they are ready to start accepting Uniform Standards. Ms. Schutter concluded her report. Commissioner Sevigny asked if there were any comments. There were none.

Commissioner Sevigny then asked for a motion to adjourn. Mr. Beatty made a motion and Commissioner Donelon seconded. The meeting was then adjourned.