

INTERSTATE INSURANCE
PRODUCT REGULATION COMMISSION



States, Strength & Speed Aligned

EMERGENCY MEETING OF THE IIPRC MANAGEMENT COMMITTEE
VIA TELECONFERENCE

Monday, June 30, 2014

2 pm ET / 1 pm CT / 12 pm MT / 11 am PT

CHORUS CALL DIAL-IN: 1-866-332-4905

Ask for “IIPRC Management Committee Meeting”

1. [Roll Call](#)
2. [Review June 12, 2014 Letter from Commissioner Kevin M. McCarty, Florida Office of Insurance Regulation](#)
3. [Consider Action to Form a Committee of Regulatory Counsel from Compacting States for the purpose of working with the Executive Director and outside counsel to provide guidance and recommendations to the Management Committee and Commission on steps for considering the additional terms and conditions in Chapter 2013-140, Laws of Florida](#)
4. [Consider Action to direct the Executive Director, in consultation with the Committee of Regulatory Counsel, to retain outside counsel for the purpose of reviewing Chapter 2013-14, Laws of Florida and providing legal guidance on the process to review and respond to the additional terms and conditions in Chapter 2013-140, Laws of Florida](#)
5. Any Other Matters
6. Adjourn

**Minutes of the Emergency Meeting of the Management Committee of the Interstate Insurance
Product Regulation Commission
Monday, June 30, 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
Jennifer Haskell, Alabama
Marty Hester, Alaska
Director Germaine L. Marks, Arizona
Martha Im, Hawaii
Donna Daniel, Idaho
Kathy McGill, Idaho
Cindy Colonius as a designated representative for Director Andrew Boron, Illinois
Commissioner Stephen Robertson, Indiana
Mihir Nag, Indiana
Commissioner Sandy Praeger, Kansas
David Isaacs, Kansas
Commissioner Jim Donelon, Louisiana
Barry Ward, Louisiana
Commissioner Therese Goldsmith, Maryland
Joe Garcia as a designated representative for Director Ann Flood, Michigan
Jay Eads, Mississippi
Director Bruce Ramge, Nebraska
Felix Schirripa as a designated representative for Commissioner Kenneth Kobylowski, New Jersey
Terry Seaton, New Mexico
Ted Hamby, North Carolina
Cu Nguyen, Oklahoma
Commissioner Laura Cali, Oregon
Beth Dwyer, Rhode Island
Chlora Lindley-Myers as a designated representative for Commissioner Julie Mix McPeak, Tennessee
Sara Waitt as a designated representative for Commissioner Julia Rathgeber, Texas
Commissioner Todd Kiser, Utah
Betsy Jerome, Utah
Don Beatty, Virginia
Sue Ezalarab as a designated representative for Commissioner Ted Nickel, Wisconsin
Cari Lee, Wisconsin

Interested Regulators in attendance:

Rich Robleto, Florida

Members of the Industry Advisory Committee in attendance:

Miriam Krol, American Council of Life Insurers (ACLI)
Amanda Matthiesen, America's Health Insurance Plans (AHIP)

Members of the Consumer Advisory Committee in attendance:

Sonja Larkin-Thorne, NAIC Consumer Liaison representative
Ryan Wilson, AARP

Members of the IIPRC Legislative Committee in attendance:

Eric Ewing, National Conference of Insurance Legislators (NCOIL)

Interested Parties in attendance:

Bernard Adams, Allstate

Hugh Barrett, Massachusetts Mutual Life Insurance Company

Freda Beale, Primerica Life Insurance Company

Pat Booker, Massachusetts Mutual Life Insurance Company

Tracey Hamilton, State Farm Life Insurance Company

Sarah Huffer, Currin Compliance Services

Beth Lindsey, ING

Ute Luedtke-Ahrens, Universal Underwriters Life Insurance Company

Ted Machulat, Northwestern Mutual Life Insurance Company

Jeff Pederson, Riversource Life

Michael Tobin, New York Life Insurance Company

Gilberto Valdez, New York Life Insurance Company

Susan Vinson, Colonial Life & Accident Insurance Company

IIPRC staff in attendance:

Karen Schutter, Executive Director

Sara Dubsy, Senior Operations Manager

MacKenzie Heidelmark, Administrative Coordinator

Aimee Lawson, Intake Coordinator

Jeanne Daharsh, Actuarial Consultant

Alice Fontaine, Actuarial Consultant

Maureen Perry, Product Review Consultant

Anne Marie Narcini, Regulatory Consultant

NAIC Staff in attendance:

Kay Noonan, General Counsel

Kara Binderup, NAIC Senior Counsel

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

Commissioner Sevigny announced that the purpose of the meeting was to address the notification received from Florida requesting the Commission review and consider the additional terms and conditions added by the Florida legislature to the model Compact. Commissioner Sevigny summarized the June 12, 2014 Letter from Commissioner Kevin M. McCarty, Florida Office of Insurance Regulation. Mr. Robleto from Florida had no comments to add. Commissioner Sevigny explained that a Compact is not only a statute enacted by the participating states but it is a form of contract between states creating a legal agreement. When one state proposes changes to that agreement, it raises a question of how to proceed in considering those changes. Therefore, the Compact will proceed in a deliberate and prudent manner by forming a committee of regulatory counsel from Compacting States and retaining outside counsel for the limited purpose of reviewing Florida’s law and providing guidance on the steps involved in considering these additional terms and conditions. Commissioner Robertson raised concerns about the cost of outside counsel and suggested using the NAIC legal department instead. Ms. Schutter responded that the NAIC Legal Department would be utilized as well and that the outside counsel would be retained on a limited basis to help with the interpretation of the Compact. Commissioner Consedine also responded that

because of the nature of this legal matter it would be prudent to have outside legal advice and suggested that a cap for the cost of outside counsel be established. Commissioner Consedine further suggested should any additional expenses be necessary then the Regulatory Counsel Committee would bring the information to the Management Committee for further review. Ms. Schutter advised that the potential outside counsel is very familiar with the Compact model as he was involved in the initial development of the Compact. There were no further comments or questions from the Members of the Legislative, Consumer Advisory, or Industry Advisory Committees.

Commissioner Sevigny asked for a motion to form a Regulatory Counsel Committee for the purpose of working with the Executive Director and outside counsel to provide guidance and recommendations to the Management Committee and Commission on steps for considering the additional terms and conditions in Chapter 2013-140, Laws of Florida. Commissioner Murphy made a motion to form a committee of regulatory counsel from Compacting States for the purpose of working with the Executive Director and NAIC legal department on this matter. Commissioner Goldsmith seconded the motion. As there were no further questions, Ms. Schutter took a roll call of the Management Committee and the motion passed. Commissioner Sevigny announced that Indiana, Pennsylvania, Texas, and Virginia have volunteered to participate on the committee of regulatory counsel.

Commissioner Robertson made a motion to authorize the Executive Director, in consultation with the Regulatory Counsel Committee and the NAIC legal division to retain outside counsel for the purpose of providing legal counsel on this matter with Florida and to impose a cap on legal fees not to exceed \$20,000 unless authorized by Commissioner Sevigny as Chair of the Management Committee. Director Range seconded the motion. As there were no further questions, Ms. Schutter took a roll call of the Management Committee and the motion passed. Commissioner Sevigny noted that the goal is that this matter will be briefed and ready for action at the August 15th in-person joint meeting of the Management Committee and Commission in Louisville, KY.

Commissioner Robertson made a motion to adjourn and Ms. Lindley-Myers seconded the motion. The meeting was adjourned.