



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

**ANNUAL MEETING OF THE COMMISSION**

**Sunday, December 12, 2021  
6 pm ET / 5 pm CT / 4 pm MT / 3 pm PT**

**AGENDA**

1. Roll Call
2. Annual Meeting with the Legislative Committee
3. Management Committee and Commission Consideration of Options On South Carolina Request: Consider for Final Action the Proposed Options Pertaining to the 15% Threshold for Compact Approval of In-Force Rate Schedule Increases on Compact-Approved Long-Term Care Products.
4. Management Committee and Commission Consideration of Adoption of the Proposed 2022 Annual Budget and Schedule of Fees
5. Management Committee and Commission Consideration of Adoption of the Proposed 2022 Uniform Standards Development Prioritization
6. Report of the Audit Committee and Consideration by the Commission to Adopt the Report of the Audit Committee
7. Report and Recommendation of the Governance Committee
8. Management Committee Consideration of Appointments to the Industry Advisory Committee and Consumer Advisory Committee
9. Commission Consideration of the Formation of Insurance Compact Management Committee and Other Committee Assignments
10. Annual Election of the 2021/2022 Officers
11. CONSENT AGENDA: Joint Action Item by the Management Committee and Commission to Adopt Annual Treasurer's Report, the Reports of the Finance and Rulemaking Committees, and Minutes of the October 19, 2021 Joint Meeting of the Management Committee and the Commission.
12. Executive Director's Operational Report
13. Any Other Matters
14. Adjourn

**Members of the Commission and Department Staff in Attendance:**

Superintendent Elizabeth Kelleher Dwyer, Chair, Rhode Island  
Commissioner Mark Afable, Vice Chair, Wisconsin  
Director Eric Dunning, Treasurer, Nebraska  
Yada Horace as a designated representative for Commissioner Jim Ridling, Alabama  
Anthony Williams, Alabama  
Director Lori Wing-Heier, Alaska  
Erin Klug as a designated representative for Director Evan Daniels, Arizona  
Jimmy Harris as a designated representative for Commissioner Alan McClain, Arkansas  
Commissioner Michael Conway, Colorado  
Commissioner Andrew Mais, Connecticut  
Frank Pyle as a designated representative for Commissioner Trinidad Navarro, Delaware  
Howard Liebers as a designated representative for Commissioner Karima Woods, District of Columbia  
Steve Manders as a designated representative for Commissioner John King, Georgia  
Commissioner Colin Hayashida, Hawaii  
Director Dean Cameron, Idaho  
Shannon Whalen as a designated representative for Director Dana Popish Severinghaus, Illinois  
Jeff Varga, Illinois  
Alex Peck as a designated representative for Commissioner Amy Beard, Indiana  
Commissioner Doug Ommen, Iowa  
Andria Seip, Iowa  
Commissioner Vicki Schmidt, Kansas  
Julie Holmes, Kansas  
Commissioner Sharon P. Clark, Kentucky  
Commissioner James Donelon, Louisiana  
Superintendent Eric A. Cioppa, Maine  
Commissioner Kathleen A. Birrane, Maryland  
Nour Benchaaboun, Maryland  
Karen Dennis as a designated representative for Director Anita G. Fox, Michigan  
Tammy Lohman as a designated representative for Commissioner Grace Arnold, Minnesota  
Director Chlora Lindley-Myers, Missouri  
Laura Arp, Nebraska  
Director Barbara Richardson, Nevada  
Jason Dexter as a designated representative for Commissioner Chris Nicolopoulos, New Hampshire  
Commissioner Marlene Caride, New Jersey  
Jennifer Catechis as a designated representative for Superintendent Russell Toal, New Mexico  
Director Judith French, Ohio  
Theresa Schaefer, Ohio  
Commissioner Glen Mulready, Oklahoma  
Kurt Cagle, Oklahoma  
Director Andrew Stolfi, Oregon  
T.K. Keen, Oregon  
Commissioner Jessica Altman, Pennsylvania  
Shannen Logue, Pennsylvania

Michael Wise as a designated representative for Director Ray Farmer, South Carolina  
Bill Huddleston as a designated representative for Commissioner Carter Lawrence, Tennessee  
Doug Slape as a designated representative for Commissioner Cassie Brown, Texas  
Commissioner Jonathan Pike, Utah  
Tanji Northrup, Utah  
Mary Block as a designated representative for Commissioner Michael Pieciak, Vermont  
Don Beatty as a designated representative for Commissioner Scott A. White, Virginia  
Commissioner Mike Kreidler, Washington  
Molly Noellette  
Commissioner Allan McVey, West Virginia  
Erin Hunter, West Virginia  
Rebecca Rebholz, Wisconsin  
Commissioner Jeff Rude, Wyoming

**Legislative Committee:**

Representative Matt Lehman  
Speaker Pro Tem Brian Patrick Kennedy  
Representative Jim Dunnigan  
Representative Deborah Ferguson  
Senator Laura Fine  
Assemblyman Ron Freiman

**Consumer Advisory Committee:**

Fred Nepple  
Yvonne Hunter  
Brendan Bridgeland

**Industry Advisory Committee:**

Anne Correia, Allianz  
Andrea Davey, Athene  
Michael Hitchcock, Pacific Life  
Wayne Mehlman, ACLI  
Joseph Muratore, NY Life  
Sarah Wood, IRI

**Insurance Compact Staff in Attendance:**

Karen Schutter, Executive Director  
Becky McElduff, Director of Product Operations & Chief Counsel  
Sara Dubsky, Assistant Director of Administrative Operations  
Joe Bonfitto, Product Reviewer  
Mindy Bradford, Product Reviewer  
Ed Charbonnier, Product Reviewer  
Jeanne Daharsh, Actuary  
Susan Ezalarab, Regulatory Coordinator Consultant  
Naomi Kloeppersmith, Actuary  
Maureen Perry, Product Review Consultant

Sarah Neil, Communications and Outreach Coordinator  
Hanna Steen, Administrative Coordinator

Superintendent Dwyer called to order the Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission (Insurance Compact or Commission). Ms. Schutter took the roll call of the: Management Committee, Commission, Legislative Committee, and Industry and Consumer Advisory Committees.

Superintendent Dwyer noted this was the Annual Meeting of the Commission and as such, the first item on the Agenda would be a meeting with the members of the Legislative Committee. It was explained NCOIL President and California Assemblyman Cooley made new appointments to the Insurance Compact's Legislative Committee. NCOIL Treasurer and Texas Representative Tom Oliverson, NCOIL Secretary and Arkansas Representative Deb Ferguson and New Jersey Representative Roy Freiman were recently appointed. Superintendent Dwyer called on Speaker Pro Tem Kennedy for his remarks. Speaker Pro Tem Kennedy noted it is a pleasure to work with the Compact and he looks forward to continuing to work with the Compact. Representative Lehman noted he too looks forward to working with the Compact in the coming year.

Superintendent Dwyer proceeded to the third Agenda item, the Management Committee and Commission consideration of options on South Carolina's request. Superintendent Dwyer noted the Commission is set to take a final vote on the request from South Carolina Director Farmer to reduce or eliminate the 15% threshold for in-force rate increases on Compact-approved individual long-term care insurance products. Superintendent Dwyer noted Commissioner Kreidler brought forth a suggestion which would bifurcate the rate increase portion of the current rate Uniform Standards into a new separate Uniform Standards. The option would amend the Scope of the Uniform Standards to allow a Compacting State to opt out of the new in-force rate increase standards and still participate in all the other individual long-term care Uniform Standards. The standards would not include the proposed language suggested by Commissioner Donelon regarding the advisory review as there were ways within the existing standards for a Compacting State to decline to participate in an advisory review. Superintendent Dwyer asked if there was a motion from the Commission who was a Management Committee member to adopt the amendments to the existing Rate Filing Standards for Individual Long-Term Care Insurance Policies and a new Standards for Filing Revisions to In-Force Rate Schedules for Individual Long-Term Care Insurance without the language marked "Louisiana request" as found on page 3 of the new Uniform Standards. Deputy Commissioner Slape made the motion and Director French seconded. Director Richardson noted that this feels against the other NAIC initiatives to make long-term care more cohesive. Director Lindley-Myers noted Missouri will abstain. A roll call vote was conducted. The motion carried with Missouri abstaining and Nevada and Utah both voting no. It was noted the Uniform Standards would be promulgated on January 4<sup>th</sup>.

Superintendent Dwyer proceeded to the fourth Agenda item, Management Committee and Commission consideration of the proposed 2022 Annual Budget and Schedule of Fees. Superintendent Dwyer explained the budget was prepared by the Finance Committee and a hearing took place during the October 19<sup>th</sup> Commission meeting. There are changes proposed to the Schedule of Fees. There were no comments submitted or provided during the Hearing. Commissioner McVey made the motion to adopt the proposed Annual Budget and Schedule of

Fees and Commissioner Caride seconded the motion. A voice vote was conducted, and the motion carried.

Superintendent Dwyer moved to the next item on the Agenda, the Management Committee and Commission adoption of the 2022 Uniform Standards Development Prioritization. Superintendent Dwyer noted the Product Standards Committee made the recommendation to the Management Committee in September. A public hearing was conducted on October 19<sup>th</sup> and no comments were received orally or in writing. A motion to adopt the Uniform Standards Development Prioritization was made by Commissioner Caride and seconded by Commissioner Rude. A voice vote was conducted, and the motion carried.

Superintendent Dwyer asked Commissioner Birrane to present a report from the Audit Committee as the next item on the Agenda. Commissioner Birrane noted the Audit Committee met recently in a regulator-only setting. It was noted the current revenue is 13.5% over budgeted revenue and additional details may be found in the Treasurer's Report. The Audit Committee has agreed to continue the engagement of the audit firm, RSM, to conduct the 2021 audit. Commissioner Birrane noted this is the fifth, and final, year with RSM and the Audit Committee will bid for a new audit firm to conduct the 2022 audit. Commissioner Birrane reported the Committee has updated the charter after a recommendation in the governance review conducted by Squire Patton Boggs in 2020. One item of note in the charter, the Committee supports having a member of the Management Committee serve on the Audit Committee to strengthen the governance coordination of the Commission. Currently the Bylaws provide a member of the Management Committee cannot serve on the Audit Committee. The Governance Committee is bringing forth a recommendation to amend the Bylaws with this being one of the recommendations. The Audit Committee is supportive of this change. Commissioner Birrane concluded the report and there were no questions.

Superintendent Dwyer proceeded to the next item on the Agenda and asked Commissioner Afable to provide a report on the Governance Committee. Commissioner Afable reported the Governance Committee has been working on proposed amendments to the Compact Bylaws. Commissioner Afable reported Arizona and Oregon along with Yvonne Hunter, a member of the Consumer Advisory Committee, provided comments on the proposed amendments. The Committee revised their initial amendments in response to the comments received. A public call was held in early December to receive final comments before making the recommendation today for the proposed amendments to be published for a formal comment period.

With regard to implied congressional consent, Commissioner Afable reported the Committee has been working diligently to address the issues raised by the Colorado Supreme Court in their April 2020 opinion. Squire Patton Boggs recommended the Compact has a compelling case that the Compact did receive congressional consent when in 2006 then-President Bush signed into law granting consent for the District of Columbia to join the Insurance Compact and further authorized the Mayor to delegate powers in the Compact to the Commission. The Committee has evaluated the recommendation and developed a draft Advisory Opinion along with a briefing sheet and FAQ. Ms. Schutter was asked to outreach to the Commission members to review this information as well as the members of the Legislative Committee. The next steps will be to provide public notice of this Advisory Opinion along with the supporting materials early next year. The Compact will work

with the members of NCOIL and NCSL to inform other state stakeholders of the background on this issue, answer questions and seek support as when the Compact was being first developed in the early 2000s.

Mr. Bridgeland of the Consumer Advisory Committee noted that the Commission should proceed with caution in this matter. Superintendent Dwyer noted the Committee will continue to discuss at the Committee level. Representative Lehman noted he believes that this is the right path to be proceeding.

Superintendent Dwyer asked for a motion to adopt the reports of the Audit and Governance Committees with the recommendation to publish the Bylaws for a public comment period. Ms. Seip made the motion and Commissioner Pike seconded. A voice vote was conducted, and the motion was carried.

Superintendent Dwyer proceed to the next item on the Agenda, the Management Committee consideration of appointments to the Industry and Consumer Advisory Committees. Superintendent Dwyer noted the Industry Advisory Committee has eight seats and four of which are open for appointment this year. Three of the four seats are reserved for industry trade organization representatives and one seat is reserved for a company representative. The Officers are recommending Wayne Mehlman of ACLI, Amanda Herrington of AHIP, Meghan Gale of NAIFA, and David Morris of Northwestern Mutual to the four open seats on the Industry Advisory Committee. Superintendent Dwyer reported Anna Howard with the Cancer Action Network has applied to serve on the Consumer Advisory Committee. She serves as a Policy Principal as well as an NAIC consumer representative. The Officers are recommending Ms. Howard to be appointed to one of the current open seats on the Consumer Advisory Committee. Commissioner Rude made the recommendation and Commissioner Caride seconded. A voice vote was conducted, and the motion carried.

Superintendent Dwyer moved to the next item on the Agenda, the Commission consideration of the Management Committee formation and other Committee assignments. Superintendent Dwyer listed the states who would be serving on the Management Committee in the next annual period. The states serving will be: Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Jersey, Ohio, Pennsylvania, Rhode Island, Texas, Virginia, West Virginia, and Wyoming. Superintendent Dwyer noted the Officers have provided their recommendation for committee assignments for the coming annual period. Similar to prior years, more requests than available seats on the Product Standards Committee were received. It was noted even if a requesting state was not able to be appointed to the Product Standards Committee, all regulators will be able to participate in the Committee calls. Commissioner Birrane made the motion to adopt the Committee formations and Director Cameron seconded. A voice vote was conducted, and the motion carried.

Superintendent Dwyer progressed to the next item on the Agenda, the election of the Compact Officers. Superintendent Dwyer noted she would not be seeking another term as Compact Chair. Commissioner Mulready made a nomination for Commissioner Birrane to serve as Chair, Director Dunning as Vice Chair, and Commissioner McVey as Treasurer. Mr. Beatty seconded the nominations. Commissioner Mulready made a motion to close the nominations and Commissioner Pike seconded. A voice vote was conducted and the motion carried.

Moving to the Consent Agenda, Commissioner McVey made a motion to adopt the Consent Agenda items. Commissioner Rude seconded the motion. A voice vote was conducted and there were no objections. The Consent Agenda item was adopted.

Ms. Schutter provided a report of the Executive Director. She reported the Compact Office has conducted Annual State of the Compact calls which serves as an opportunity to share key issues with the Commissioners and their designated representatives and receive their feedback on continuous improvement as a trusted arm of each of their Departments. Also, the Compact Office has released a regulatory collaboration space for member regulators providing useful information on the Compact's product filings and committee activities. Ms. Schutter noted most of the action items in the strategic plan are well underway. Eight of these items fully complete; six items have been completely implemented and are considered in the ongoing phase; and seven are works in progress with committees or the Compact Office expected to wrap up their work in the first part of 2022. It was explained there are seven items that are planned to kick off in 2022. The Compact has been working to complete many of the recommendations from the independent business assessment and governance review. One of these items is documenting the services and the cost of those services provided by the NAIC to the Commission and Compact Office. The structure of the license and services agreement between the NAIC and the Commission is the Commission pays and annual administrative services fee of \$125,000 and since 2018, it also pays an adjustable administrative fee of 7.5% of every \$25,000 in net revenue. The Commission also pays a separate license fee for the use and customization of SERFF for the Compact instance. Ms. Schutter reported Rector & Associates noted during the business assessment the documentation of costs was not very robust. The Compact Office has worked with the NAIC to document the costs in terms of allocation of a percentage to the total costs for the facilities, equipment and technical systems used by the NAIC or the Compact to support the Compact's operations. The percentage assessed was 2.12% of the total cost and based on the ratio of Compact employees to all employees of NAIC, NIPR and Compact. The direct staff support provided to the Compact was documented. Ms. Schutter explained when an NAIC staff member assists the Compact in planning a meeting or updating its website, the cost of those direct hours is documented. Grand total of those costs for 2020 was \$212,374 which exceeds the highest amount the Commission has ever paid to the NAIC, \$200,265 in 2019. The Compact Office presented this analysis and information to the Finance Committee earlier this year and they were comfortable with the approach. Ms. Schutter noted the Compact Office is the one reporting to the Commission on this matter. Ms. Schutter recognized the Compact team which is a highly skilled group including our form reviewers and credentialed actuaries many of whom are former regulators. Ms. Schutter recognized Maureen Perry who is retiring at the end of this month. Ms. Perry joined the Compact in 2009 as one of its first form reviewers. When the individual long-term care and disability income Uniform Standards were being implemented she became the primary form reviewer. Ms. Schutter noted the Compact Office is transitioning her workload over to other long-time reviewers. Mr. Charbonnier who many of you worked with when he was with the Massachusetts Division of Insurance and joined the Compact in 2016 will be primary for individual long-term care and Mindy Bradford who also joined the Compact in 2016 after working at a filing company will take on disability income product review. There is an open position which will most likely be filled in the Spring of 2022 based on the needs of the Compact. Ms. Schutter concluded her report. There were no questions.

Hearing no other matters, Superintendent Dwyer asked if there was a motion to adjourn. Commissioner Caride made a motion to adjourn which was seconded by Commissioner Schmidt.