



DATE: March 24, 2024

TO: Interstate Insurance Product Regulation Commission

FROM: Insurance Compact Finance Committee

RE: Report of Finance Committee Activities for Joint Meeting of the Management Committee and Commission

The Insurance Compact Finance Committee met on March 15th and received an update on the financials through the end of 2022 and the first two months of 2023.

The Compact earned \$2.54 million in revenue in 2022 which was 20% under the budgeted \$3.20 million. The actual expenses were 11% under the budgeted \$3.17 million. The change in net assets was a negative \$256,872.

The Compact carried \$1.82 million cash into 2023. A large part of the cash balance is attributed to companies registering in December 2022 for the calendar year of 2023.

The actual revenues for January 2023 were 102% of budget; \$1.30 million was earned. Actual expenses were approximately 8% under budget.

The Finance Committee will continue to monitor the financial statements throughout the course of the year as well as look at the value of services, systems, and resources the NAIC provides to the Compact. The Finance Committee will be exploring how to develop a program to create resource groups of Compacting State regulators with form review or actuarial experience in the Insurance Compact's authorized product lines to train and be available as a resource to the Insurance Compact Office in the regulatory review process.

Please contact the West Virginia Commissioner Allan McVey, Chair of the Insurance Compact Finance Committee, or Karen Schutter, Executive Director for questions or further information.



DATE: March 24, 2023

TO: Interstate Insurance Product Regulation Commission

FROM: Insurance Compact Rulemaking Committee

RE: Report of Committee Activities for Joint Meeting of the Management Committee and Commission

The Insurance Compact Rulemaking Committee continues to work on its strategic plan action items.

The Committee held a regulator-only call on March 16th to review the draft work agenda for the calendar year and receive an update on the progress related to the strategic plan action item for mix and match. Additionally, the Committee received and reviewed a suggested amendment to the Rulemaking Rule to address incorporation by reference in the Uniform Standards.

In addition to considering improvements to the mix-and-match rule and addressing changes to NAIC Models that are incorporated by reference, the Rulemaking Committee will also be considering improvements to the five-year review process referenced in the Rulemaking Rule. Also, on the work plan for 2023, the Committee will consider ways to provide more flexibility for state insurance departments to exercise regulatory stays and opt outs if they have concerns about conflicts between the Uniform Standards and state laws.

Please contact the Utah Commissioner Jon Pike, Chair of the Insurance Compact Rulemaking Committee, or Karen Schutter, Executive Director for questions or further information.



DATE: March 24, 2023

TO: Management Committee

FROM: Product Standards Committee

RE: Report of the Product Standards Committee Activities for the March 24 Management and Commission Meeting

The PSC held an orientation meeting for committee members in January.

The PSC has two subgroups that meet weekly working on the Employer Group Whole Life Insurance Uniform Standard and the Index-Linked Variable Annuity Uniform Standard. The Employer Group Whole Life subgroup has completed its preliminary work and submitted drafts of the Group Whole Life Policy and Certificate standards and nine additional standards to the Product Standards Committee. The PSC is reviewing the drafts and will be holding a public call to receive comments on the draft standards. The Index-Linked Variable Annuity subgroup continues to meet weekly to review the initial draft and will hold a public call after the review is complete.

The PSC is beginning to work on amendments to the group term life, group whole life, group disability income and group annuity uniform standards to accommodate non-employer groups. The PSC will review comments for the five-year review of group disability income uniform standards.

The PSC also stands ready to respond to other requests from the Management Committee and the Commission regarding uniform standards development. Please contact Jason Lapham of the Colorado Division of Insurance, Chair of the Product Standards Committee, or Susan Ezalarab, the Compact Office's Regulatory Coordinator Consultant.



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

**Thursday, December 15, 2022
9 am ET / 8 am CT / 7 am MT / 6 am PT**

AGENDA

1. Roll Call
2. ANNUAL MEETING WITH THE LEGISLATIVE COMMITTEE
3. MANAGEMENT COMMITTEE AND COMMISSION CONSIDERATION OF ADOPTION OF THE AMENDMENTS TO ADDRESS COLORADO STATUTORY CONFLICT WITH SUICIDE EXCLUSION PROVISIONS: Consider for final action the proposed Amendments to Address Colorado Statutory Conflict with Suicide Exclusion Provisions
4. MANAGEMENT COMMITTEE AND COMMISSION CONSIDERATION THE FRAMEWORK AND OF OPERATING PROCEDURE FOR THE USE OF COMPACT-APPROVED PRODUCTS FOR OTHER THAN EMPLOYER GROUPS: Consider for final action the proposed Operating Procedure for the Use of Compact-Approved Products for Other than Employer Groups.
5. MANAGEMENT COMMITTEE AND COMMISSION CONSIDERATION OF ADOPTION OF THE PROPOSED 2023 ANNUAL BUDGET AND SCHEDULE OF FEES
6. MANAGEMENT COMMITTEE AND COMMISSION CONSIDERATION OF ADOPTION OF THE PROPOSED 2023 UNIFORM STANDARDS DEVELOPMENT PRIORITIZATION
7. REPORT OF THE AUDIT COMMITTEE AND CONSIDERATION BY THE COMMISSION TO ADOPT THE REPORT OF THE AUDIT 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 2022/2023 OFFICERS
11. CONSENT AGENDA: Joint Action Item by the Management Committee and Commission to Adopt Noncontroversial Reports and Minutes of the Management Committee and the Commission
12. Any Other Matters
13. Adjourn

Members of the Commission and Department Staff in Attendance:

Commissioner Kathleen A. Birrane, Chair, Maryland
Director Eric Dunning, Vice Chair, Nebraska
Commissioner Allan McVey, Treasurer, West Virginia
Superintendent Elizabeth Kelleher Dwyer, Past President, Rhode Island
Director Lori Wing-Heier, Alaska
Erin Klug as a designated representative for Director Evan Daniels, Arizona
Commissioner Alan McClain, Arkansas
Peg Brown as a designated representative for Commissioner Michael Conway, Colorado
Paul Lombardo as a designated representative for Commissioner Andrew Mais, Connecticut
Howard Liebers as a designated representative for Commissioner Karima Woods, District of Columbia
Commissioner John King, Georgia
Steve Manders, Georgia
Kathleen Nakasone as a designated representative for Commissioner Colin Hayashida, Hawaii
Shannon Hohl as a designated representative for Director Dean Cameron, Idaho
Jeff Varga as a designated representative for Director Dana Popish Severinghaus, Illinois
Commissioner Doug Ommen, Iowa
Andria Seip, Iowa
Julie Holmes as a designated representative for Commissioner Vicki Schmidt, Kansas
Commissioner Sharon P. Clark, Kentucky
Tom Travis as a designated representative for Commissioner James Donelon, Louisiana
Acting Superintendent Tim Schott, Maine
Nour Benchaaboun, Maryland
Alex Borkowski, Maryland
Sheri Cullen as a designated representative for Commissioner Gary Anderson, Massachusetts
Karen Dennis as a designated representative for Director Anita G. Fox, Michigan
Tammy Lohman as a designated representative for Commissioner Grace Arnold, Minnesota
Jo LeDuc as a designated representative for Director Chlora Lindley-Myers, Missouri
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
Ted Hamby as a designated representative for Commissioner Mike Causey, North Carolina
Director Judith French, Ohio
Daniel Bradford, Ohio
Commissioner Glen Mulready, Oklahoma
Alex Cheng as a designated representative for Director Andrew Stolfi, Oregon
Commissioner Michael Humphreys, Pennsylvania
Shannen Logue, Pennsylvania
Brian Hoffmeister as a designated representative for Commissioner Carter Lawrence, Tennessee
Debra Diaz-Lara as a designated representative for Commissioner Cassie Brown, Texas
Commissioner Jonathan Pike, Utah
Tanji Northrup, Utah
Acting Commissioner Kevin Gaffney, Vermont

Mary Block, Vermont
Don Beatty as a designated representative for Commissioner Scott A. White, Virginia
Molly Nollete as a designated representative for Commissioner Mike Kreidler, Washington
Erin Hunter, West Virginia
Commissioner Nathan Houdek, Wisconsin
Rebecca Rebholz, Wisconsin
Commissioner Jeff Rude, Wyoming

Legislative Committee:

Representative Deborah Ferguson, Arkansas
Representative Matt Lehman, Indiana
Representative Jim Dunnigan, Utah
Representative Tom Oliverson, Texas
Tom Considine, National Council of Insurance Legislators

Consumer Advisory Committee:

Brendan Bridgeland
Jane Cline
Anna Howard
Fred Nepple
Bruce Ramage

Industry Advisory Committee:

Anne Correia, Allianz
Megan Phillips, Athene
Wayne Mehlman, ACLI
Joseph Muratore, NY Life
Emily Micale, IRI
Amanda Herrington, AHIP
Meghan Gale, NAIFA

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
Karen Givens, Senior Product Reviewer & Manager
Naomi Kloeppersmith, Actuary
Sarah Neil, Communications and Outreach Coordinator

Commissioner Birrane 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.

Commissioner Birrane recognized the members of the Legislative Committee in attendance. Commissioner Birrane asked if any legislators had any comments. Representative Lehman noted that NCOIL appreciated the important issues before the Commission, and he looks forward to the continued collaboration. There were no other comments.

Commissioner Birrane proceeded to the next item on the Agenda, consideration of the amendments to the group and individual life insurance Uniform Standards for the suicide exclusion. Commissioner Birrane explained there are three items to be considered with regard to this particular item. The first are the amendments to the Uniform Standards. The second is the effective date of the Uniform Standards. The third is when the companies need to demonstrate effectiveness of the amendments to in force policies.

The amendment recognizes a state exception for states that have a suicide exclusion period of less than two years while continuing to set the standard period at two years. Commissioner Birrane reported the amendments were exposed for a 90-day public comment period. Members of the IRI and ACLI provided written comments and Commissioner Birrane asked if there were any additional comments. Mr. Mehlman noted the companies are concerned that continued allowance of deviations for state laws will jeopardize the use of the Compact. Mr. Bridgeland noted the suicide exclusion provision is a vital consumer protection and it is important for the life products.

Commissioner Birrane asked for a motion to adopt the amendments recommended by the Product Standards Committee. Commissioner McVey made the motion and Ms. Nollete seconded the motion.

Commissioner Birrane asked if there were any comments from members of the Commission regarding the effective dates.

Mr. Mehlman requested the effective date for previously approved products be either the fourth quarter 2023 or first quarter 2024. Mr. Lombardo asked why it would take a year to implement the amendments. Mr. Muratore responded the issue lies with the program changes required to systems as well as the ability to develop the required forms. Mr. Bridgeland expressed concerns with the delay in implementing the amendments to previously approved products and the legal issues that could arise with the delay. Commissioner Clark noted that if an extension is granted, then a date certain should be set.

Director Dunning proposed one effective date for the new approvals and a second effective date for previously approved products. A voice vote was conducted and the motion carried for two effective dates. Nevada and New Jersey voted no.

Ms. DeLuc noted the State of Missouri is directly impacted with the issue subject to the amendments and would propose October 1, 2023 as the effective date for the effectiveness of the amendments to in force policies. Commissioner Clark noted Kentucky would prefer October 3, 2023 for similarity to the April 3rd effective date. Mr. Lombardo asked a question regarding the

timing of the companies and when they would need to start the amendment process.

Director Dunning motioned to establish the effective date of April 3, 2023 and October 3, 2023 for previously approved products. Director French seconded the motion. Commissioner Caride asked for clarification with regard to the effective dates. Commissioner Birrane responded the second effective date would provide the companies with more time to get their products into compliance. Mr. Mehlman noted the October 3, 2023 effective date would be agreeable to the companies. A roll call vote was conducted and the motion carried. Nevada, New Mexico and New Jersey voted no.

Commissioner Birrane progressed to the next item on the Agenda, consideration of the Framework and Operating Procedure for the Use of Compact-Approved Products for Other Than Employer Groups. Commissioner Birrane noted there was a public hearing for this Framework and Operating Procedure during the August in-person meeting. The Rulemaking Committee considered the comments submitted and has proposed changes to the Framework and Operating Procedure. These changes were reviewed and discussed during the November 15th joint meeting. Commissioner Birrane asked Ms. Schutter to provide an overview of these changes. Ms. Schutter reported. There were no comments or questions. Commissioner Rude made the motion and Director French seconded the motion. A voice vote was conducted and motion carried.

Commissioner Birrane proceeded to the next item on the Agenda, consideration of the proposed 2023 Annual Budget and Schedule of Fees. Commissioner Birrane provided an overview of the rulemaking process taken in the development of the budget and proposed increases to the Schedule of Fees. There were no comments regarding either the budget or the Schedule of Fees. Commissioner McVey made the motion and Commissioner Caride seconded the motion. A voice vote was conducted and the motion carried.

Commissioner Birrane moved to the consideration of the proposed 2023 Uniform Standards Development Prioritization. Commissioner Birrane provided an overview of the development of the list proposed for consideration. There were no comments made. Ms. Lohman made the motion and Commissioner Rude seconded. The motion was adopted by voice vote.

Commissioner Birrane progressed to the next item on the Agenda and asked Director Richardson to provide a report of the Audit Committee and consideration of the Audit Report. Director Richardson provided this report.

Commissioner Birrane advanced to the next item on the Agenda, the appointments to the Industry Advisory Committee. Commissioner Birrane noted there were no appointments to the Consumer Advisory Committee and there are currently open seats. If anyone is interested in serving on the Consumer Advisory Committee, please contact Ms. Schutter. Commissioner Birrane explained there are four open seats available and one of which is for an industry trade organization representative and the three are for company representatives. The Officers are recommending the seats are filled by Sarah Wood with IRI, Mike Drislaine with Brighthouse Financial, Erin Weinstein with MassMutual and Joseph Muratore with New York Life. Commissioner Birrane thanked the members who have previously served for their time. Commissioner Birrane asked for a motion to accept the recommendation. Commissioner Rude made the motion and Director French

seconded the motion. The motion was carried with a voice vote.

Commissioner Birrane moved to the next item on the Agenda, the formation of the Management Committee and other Committee assignments. Commissioner Birrane provided an overview of the Management Committee composition and noted the Committee will consist of: Arizona, Georgia, Illinois, Maryland, Michigan, Minnesota, Nebraska, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, West Virginia, and Wyoming. Commissioner Birrane thanked Massachusetts, Rhode Island, and Virginia for their service in the past year on the Management Committee. The Officers, by the way of the Compact Office, provided the Committee assignments to the Commission members ahead of the meeting. Commissioner Birrane noted that all calls are open to all interested regulators regardless of appointment to the Committee. Commissioner Birrane asked for a motion to adopt the formation of the Management Committee and the Officer's recommendation for Committee assignments. Commissioner Caride made the motion and Director Dunning seconded the motion. The motion was carried with a voice vote.

Commissioner Birrane asked Superintendent Dwyer to conduct the next item on the Agenda, the election of the Compact Officers. Superintendent Dwyer made a slate nomination recommending Commissioner Birrane as Chair, Director Dunning as Vice Chair, and Commissioner McVey as Treasurer. Director Wing-Heier seconded the motion. Hearing no other motions, Superintendent Dwyer asked if there was a motion to close the nominations and elect by acclamation the nominated slate of Commission Officers. Director Wing-Heier made the motion and Commissioner Rude seconded. A voice vote was conducted and the motion was carried.

Commissioner Birrane proceeded to the next item on the Agenda and asked for a motion to adopt the Consent Agenda items - the Treasurer's report, reports of the Finance, Product Standards, Rulemaking and Governance Committees along with the minutes of the August 12, 2022 and November 15, 2022 joint meeting of the Management Committee and Commission. Commissioner McVey made the motion and Commissioner Rude seconded. A voice vote was conducted and the motion carried.

Commissioner Birrane recognized Don Beatty of Virginia and Erin Klug of Arizona for their receipt of the NAIC's Dineen award and their long-time valuable contributions to the Compact.

Hearing no other matters, Commissioner Birrane asked for a motion to adjourn. Director Dunning made the motion and Commissioner McVey seconded. Hearing no objections, the meeting was adjourned.



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

**Thursday, February 23, 2023
1 pm ET / 12 pm CT / 11 am MT / 10 am PT**

Agenda

1. **Roll Call**
2. **Public Hearing on Uniform Standards**
 - a. [Individual Disability Income Key Person Replacement Insurance Uniform Standards](#)
 - b. [Individual Disability Income Buy Sell Insurance Uniform Standard](#)

EXPLANATION: During the November 15, 2022 Joint Meeting, the Management Committee approved the Product Standards Committee recommendation to expose two proposed Uniform Standards for public comment. The proposed Uniform Standards were published to the Compact website on November 28th. This Hearing is an opportunity for all Commissioners/Directors/Superintendents and their regulators as well as other interested parties to provide comments pertaining to these proposed Uniforms Standards. The Management Committee and Commission plan to take action to consider these items at the joint meeting of the Management Committee and Commission scheduled on March 24th.

3. **Management Committee Consideration of the Uniform Standards Development Guidelines:** Consider next steps for the proposed Uniform Standards Development (“USD”) Guidelines recommended by the Product Standards Committee on March 23, 2021.

EXPLANATION: The action item was deferred during the June 28, 2022 joint meeting of the Management Committee and Commission meeting. The Management Committee will consider the next action on the recommended USD Guidelines. Information may be found on the [Docket page of the Compact’s website](#).

4. **Operational Update**
5. **Any Other Matters**
6. **Adjourn**

Members of the Management Committee in Attendance:

Commissioner Kathleen A. Birrane, Chair, Maryland
Director Eric Dunning, Vice Chair, Nebraska
Commissioner Allan McVey, Treasurer, West Virginia
Superintendent Elizabeth Kelleher Dwyer, Rhode Island
Erin Klug as a designated representative for Director Evan Daniels, Arizona
Karen Dennis as a designated representative for Director Anita G. Fox, Michigan
Tammy Lohman as a designated representative for Commissioner Grace Arnold, Minnesota
Commissioner Marlene Caride, New Jersey
Ted Hamby as a designated representative for Commissioner Mike Causey, North Carolina
Daniel Bradford as designated representative for Director Judith French, Ohio
Shannen Logue as a designated representative for Commissioner Michael Humphreys, Pennsylvania
Debra Diaz-Lara as a designated representative for Commissioner Cassie Brown, Texas
Commissioner Jeff Rude, Wyoming

Members of the Commission and Department Staff in Attendance:

Sara Bailey, Alaska
Sharon Comstock, Alaska
Commissioner Alan McClain, Arkansas
Julie Holmes, Kansas
Chris Hollenbeck, Kansas
Rod Friedy, Louisiana
Jo LeDuc, Missouri
Maggie Reinert, Nebraska
Martin Swanson, Nebraska
Jack Childress, Nevada
Stephanie McGee, Nevada
Larry Marcus, New Mexico
Cara Shackelford, North Carolina
Steve Boston, Pennsylvania
Matt Gendron, Rhode Island
Maribel Castillo, Texas
Darlene Plyler, Texas
Tomasz Serbinowski, Utah
Shelley Wiseman, Utah
JoAnne DeBella, Wyoming

Legislative Committee:

Representative Deborah Ferguson, Arkansas

Industry Advisory Committee:

Sarah Wood, IRI

Insurance Compact Staff in Attendance:

Karen Schutter, Executive Director
Becky McElduff, Director of Product Operations & Chief Counsel

Sara Dubsy, Assistant Director of Administrative Operations
Ed Charbonnier, Product Reviewer
Susan Ezalarab, Regulatory Coordinator Consultant
Naomi Kloeppersmith, Actuary
Aimee Lawson, Product Filing Specialist
Mindy Bradford, Product Reviewer III
Karen Givens, Assistant Director - Product Review Operations
Mari Jackson, Administrative Assistant
Sarah Neil, Communications and Outreach Coordinator

Commissioner Birrane called to order the meeting of the Management Committee. Ms. Schutter took the roll call of the Management Committee, the members of the Commission, Legislative Committee, and Industry and Consumer Advisory Committees.

Commissioner Birrane moved to the first item on the agenda, the public hearing on Uniform Standards the Individual Disability Income Key Person Replacement Insurance Uniform and the Individual Disability Income Buy Sell Insurance. Ms. Schutter provided a procedural history before Commissioner Birrane opened the hearing for public comments. Ms. Schutter reported that the two uniform standards were identified during the Annual Prioritization process. These uniform standards were published for the 60-day public comment period on November 28, 2022, with comments due on January 27, 2023. There were no written comments provided during the public comment period. There were no comments from the Management Committee, Commission, Legislative Committee, Consumer Advisory Committee nor the Industry Advisory Committee. The public hearing was concluded.

Commissioner Birrane proceeded to the second agenda item, Management Committee Consideration of the Uniform Standards Development Guidelines. The Product Standards Committee (PSC) in response to a strategic plan action item developed a set of uniform standards guidelines. The Uniform Standards Development Guidelines were recommended by the PSC in March 2021 to the Management Committee for public comment. The Oregon Department expressed some concerns and asked for additional time to review the Guidelines and provide their comments. The Officers have spoken with Commissioner Stolfi about their comments and receiving further clarification regarding their changes. Commissioner Stolfi has indicated there are still a few items to discuss and they will provide the comments in writing in advance of the March in-person meeting. Therefore, the Officers would like to defer this item until Louisville and at that time consideration to adopt the recommended Guidelines and consider potential amendments to those Guidelines proposed by Oregon. Commissioner Birrane noted the Compact members will then consider action on the Guidelines.

Commissioner Birrane moved to the third item on the agenda, the Operational Update. Ms. Schutter reported the Compact website has been redesigned. She noted the goal for the website redesign was to make the site more intuitive and user friendly. The site has committee pages which will provide information of upcoming meetings, comments, and historical information. Those on the call were also made aware to look for the notices in the next week or two about the Compact webinars which have various topics for regulators and company filers. It was reported that North Dakota is considering joining the Compact and Senate Bill 2072 is expected to be considered by the House Business Industry and Labor Committee in March. Ms. Schutter announced Rachel Morisseau had joined the Compact team as Project Coordinator coming from NAIC. The Compact also issued FIN 2023-1 and it is published on the Industry

Resources page of the website. This FIN is with respect to the amendment to the suicide exclusion in the life standards. More information on this topic will be reported at the National Meeting in Louisville including all of the activity being seen. Ms. Schutter reported the Annual Registrations for 2023 are up by 8%. Ms. Schutter concluded her report with an update on filing activity.

Hearing no other matters, Commissioner Birrane asked if there was a motion to adjourn. Director Dunning made a motion to adjourn which was seconded by Commissioner McVey.