

Karen,

The Consumer Advisory Committee (CAC) submits the following comments in response to the Interstate Insurance Product Regulation Commission's (IIPRC) call for comments on the draft IIPRC Strategic Plan (the Plan).

The CAC appreciates the opportunity to submit comments at this point in the process. We are also grateful that the IIPRC included Roger Sevigny, a member of the CAC, as a member of the Strategic Plan Steering Committee and for the opportunities afforded to interested parties throughout the development of the Plan.

Overall, we believe that the Strategic Plan is a well-crafted document that has the potential to guide the IIPRC into the future. The successful implementation of the plan will further enable the IIPRC's stability and help insure that Compact-approved products in the marketplace maintain strong consumer protections.

Specifically, we would like to point out two areas for additional comment. The first is the formation and involvement of "groups" in multiple action items. The Plan proposes that the IIPRC:

Develop groups within the Compacting States, state legislators, consumer representatives and industry / company representatives to provide product-specific or issue-specific expertise in the Uniform Standards development process (Priority I, Action Item 7); and

Develop a program to create product line groups led by Insurance Compact Office staff composed of interested regulators, industry and company representatives, consumer representatives and interested parties to discuss current activities and items of interest on a regular basis (Priority III, Action Item 4).

The CAC urges you to ensure these proposed "groups" will have no role in the policy decision making of the IIPRC, including no "advisory" committee role. We support the draft Strategic Plan's proposals to increase access to expert and substantive assistance to support informed and rational decision-making.

We are concerned that if these groups are not carefully structured they will invite industry dominance and advocacy rather than expertise and information. Industry nominated group members should be selected for their substantive expertise only, such as actuaries, contract specialists or other relevant background.

The second area is around revisions to the five-year review process. The Plan proposes that the IIPRC:

Review current five-year review process and activities to recommend changes to make it a more iterative, flexible and efficient review of the Uniform Standards focused on the robust, relevant and reasonable objectives (Priority I, Action Item 5).

The CAC would ask that as the IIPRC review changes to make the process more iterative, more flexible, and more efficient that it maintain the elements that have made the review process meaningful to date, namely transparency and opportunities for all parties to provide input. In the strategic background for Priority I, the Plan notes that “input from legislators, consumers and their representatives, company filers and industry representatives is a key strength of this transformative regulatory paradigm.” We recognize that the Plan proposes to streamline the five-year process and we appreciate the effort to do so; however, we would be remiss if we didn’t mention how important transparency has been and will continue to be in the review process.

Again, we appreciate the opportunity to provide comments and are open to discussing any of those made here with you or your staff at any time.

Thank you,

Members of the CAC