

**Minutes of the Meeting of
the Management Committee of the
Interstate Insurance Product Regulation Commission**

**Monday, January 22, 2007
Conference Call**

Management Committee Members in Attendance:

Commissioner Diane Koken (PA), Chair
Commissioner Jane Cline (WV), Vice-Chair
Commissioner Glenn Wilson, Secretary-Treasurer
Margaret Witten (GA) as designated representative for Commissioner John Oxendine
Fran Wallace (MI) as designated representative for Commissioner Linda Watters
Commissioner Jim Long (NC)
Peg Ising (OH) as designated representative for Director Ann Womer Benjamin
Commissioner Kim Holland (OK)
Sara Waitt as designated representative for Commissioner Mike Geeslin (TX)
Herb Olson (VT) as designated representative for Commissioner John Crowley
Don Beatty as designated representative for Commissioner Alfred W. Gross (VA)
Beth Berendt as designated representative for Commissioner Mike Kreidler (WA)

Legislative Committee Members in Attendance:

Senator Delores Kelley (MD)
Senator Ralph Hudgens (GA)
Representative Robert Damron (KY)

Consumer Advisory Committee Members in Attendance:

Brendan Bridgeland (Center for Insurance Research)

Industry Advisory Committee in Attendance:

Michael Lovendusky (American Council of Life Insurers)
Dennis Herchel (MassMutual Life Insurance Company)
Michael Gerber (National Association of Insurance and Financial Advisors)
Cande Olson (New York Life Insurance Company)
Nancy Johnson (UNUM Provident)
Gary Sanders (Association of Health Insurance Advisors)

1. Update on the 2007 IIPRC Budget

Commissioner Koken reported on the status on updating the 2007 IIPRC budget which will be released for a 30-day public comment period. Commissioner Koken reported the Commission will carry over funds into 2007 from the \$500,000 contribution provided by the National Association of Insurance Commissioners in 2006.

2. Consider Report and Adopt Recommendations of the Product Standards Committee

Commissioner Roger Sevigny (NH) provided the report of the Product Standards Committee. The committee has recommended to the Management Committee that it initiate the rulemaking process for the Individual Term Life Policy Standards. These standards were the subject of a public meeting on January 12, 2007. The committee has prepared a detailed memorandum outlining the substantive revisions to the draft standards that were prepared by the NAIC's Interstate Compact National Standards Working Group. The committee is recommending certain revisions in these proposed standards be carried over into the adjustable life policy standards that were adopted by the Commission in December as conforming amendments. The committee is recommending the Rulemaking Committee consider developing an operating procedure for expedited review and approval of conforming amendments. Commissioner Sevigny noted some changes to the proposed standards were made after the committee's public meeting and related to issues appropriate for Management Committee input with an opportunity for public comment during the rulemaking process.

Mr. Olson moved to publish the following standards for notice and comment in accordance with the Commission's rulemaking rule: 1) Individual Term Life Policy Standards; 2) Individual Single Premium Term Life Policy Standards; 3) Individual Joint Last to Die Survivorship Term Life Policy Standards; 4) Individual Single Premium Joint Last to Die Survivorship Term Life Policy Standards. Commissioner Holland seconded the motion. A roll call vote was conducted and the motion was passed by unanimous vote.

Mr. Lovendusky expressed his concern that the committee revised the assignment provisions when it was not raised by committee members or the interested parties at the committee's public hearing on January 12, 2007. Commissioner Sevigny stated these changes were made during a subsequent discussion of the committee and were aimed at addressing a matter not previously raised at the committee level, but one the committee determined would be more appropriately discussed at the Management Committee level during the rulemaking process.

A roll call vote was conducted on the motion to publish for notice and comment the individual term life insurance policy standards and conforming amendments and the motion was passed.

3. Consider Report of the Rulemaking Committee

Commissioner Cline provided the report of the Rulemaking Committee. The committee is in the process of reviewing drafts of three new operating procedures including, dissolution, advisory opinions, and financial assistance requests of the Consumer Advisory Committee with the goal of making a recommendation to the Management Committee at its next meeting. The committee will consider an operating procedure to address conforming amendments and is evaluating the current amendments being made to the Model State Administrative Procedures Act in this area.

4. Other Business

Commissioner Koken welcomed Michigan as the Compact's newest member. Michigan is one of the six largest states in the Compact and an automatic member of the Management Committee.

Having no further business, the Management Committee adjourned.