



**TELECONFERENCE MEETING OF THE MANAGEMENT COMMITTEE
OF THE
INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION (IIPRC)**

**Monday, June 28, 2010
1:30pm ET / 12:30pm CT / 11:30am MT / 10:30am PT**

1. Roll Call
2. **Report of the Product Standards Committee and Consider Adoption of Product Standards Committee Report**
3. **Report of Communications Committee and Consider Adoption of Communications Committee Report**
4. **Consideration of Approval of Meeting Minutes from May 18 Joint Meeting of the Management Committee and Commission**
5. **Operational Update**
6. Any Other Matters
7. Adjourn

**Minutes of the Meeting of the Management Committee of the Interstate Insurance
Product Regulation Commission
Monday, June 28, 2010**

Members of the Management Committee in attendance:

Director Mary Jo Hudson, Chair, Ohio
Commissioner Sean Dilweg, Vice Chair, Wisconsin
Marlyn Burch as a designated representative for Commissioner Sandy Praeger, Treasurer, Kansas
Brenda Wilson as a designated representative for Acting Commissioner Elizabeth Sammis, Maryland
Commissioner Joseph Murphy, Massachusetts
Commissioner Kenneth Ross, Michigan
Manny Munson-Regala as a designated representative for Commissioner Glenn Wilson, Minnesota
Aaron Sisk as a designated representative for Commissioner Mike Chaney, Mississippi
Matt Barton as a designated representative for Director John M. Huff, Missouri
Commissioner Roger A. Seigny, New Hampshire
Commissioner Wayne Goodwin, North Carolina
Commissioner Joel Ario, Pennsylvania
Commissioner Mike Geeslin, Texas
Beth Berendt as a designated representative for Commissioner Mike Kreidler, Washington

Members of the Commission in attendance:

Commissioner Marcy Morrison, Colorado
Commissioner James J. Donelon, Louisiana
Commissioner Kim Holland, Oklahoma

State Regulator Staff in attendance:

Beverly Bonds, Idaho
John Kissling, Indiana
Rebecca Vaughn, Indiana
Linda Shepherd, Kansas
Ron Henderson, Louisiana
Edward Charbonnier, Massachusetts
Renee Campbell, Michigan
Brian Pennington, Minnesota
John Howser, Missouri
John Rink, Nebraska
Michael Wilkey, New Hampshire
Susan Real, Ohio
Kathie Stepp, Oklahoma
Elizabeth Dwyer, Rhode Island
Shawn Hawk, Tennessee
Ana Smith-Daley, Texas
Sara Waitt, Texas
Betsy Jerome, Utah
Tomasz Serbinowski, Utah
Don Beatty, Virginia

Members of the Legislative Committee in attendance:

Susan Nolan, Executive Director, National Conference of Insurance Legislators (NCOIL)
Michael Humphreys, NCOIL

Members of the Industry Advisory Committee in attendance:

Amanda Matthiesen, America's Health Insurance Plans (AHIP)
Michael Lovendusky, American Council of Life Insurers (ACLI)
Mary Keim, State Farm Life Insurance Company

Members of the Consumer Advisory Committee in attendance:

T. Ryan Wilson, American Association of Retired Persons (AARP)

Interested Parties in attendance:

Miriam Krol, ACLI
John MacBain, Actuarial Resources Corporation
Glenn Daly, John Hancock Life Insurance Company
Marie Roche, John Hancock Life Insurance Company
Janice Dimon, MetLife Insurance Company
Tim Ring, MetLife Insurance Company
Hazel Delane, Milliman, Inc.
Angela Cox, Nationwide Insurance Company
Michael Francescone, New York Life Insurance Company
Carol Meyer, New York Life Insurance Company
Joseph Muratore, New York Life Insurance Company
Linda Pena, New York Life Insurance Company
Paul Whitman, New York Life Insurance Company
Bill Weller, Omega Squared
David Brenerman, Unum

Interested Regulators in attendance:

Mary Kosinski, Arizona
Gail Keren, New York

IIPRC Team in attendance:

Karen Schutter, Executive Director
Sara Dubsy, Operations Manager
Karyn Onyeneho, Administrative Assistant
Alice Fontaine, Actuarial Consultant
David Morris, Product Review Consultant
Maureen Perry, Product Review Consultant
Charles Rappaciuolo, Marketing & Development Consultant

NAIC Staff in attendance:

Becky McElduff, Senior Counsel
Amanda Yanek, Government Relations Legislative Analyst

Director Hudson called to order the meeting of the Management Committee of the Interstate Insurance Product Regulation Commission ("IIPRC").

Director Hudson announced that Commissioner Praeger would now serve as the IIPRC Treasurer as Paulette Thabault, former Treasurer, recently resigned from the Vermont Insurance Division. Director Hudson noted that Michael Bertrand was recently appointed to serve as Commissioner for Vermont and welcomed him to the Compact. Director Hudson noted that Commissioner Holland has stepped down from the Management Committee and Commissioner Praeger would fill this vacancy. Director Hudson further stated that Commissioner Sevigny was selected to fill the vacancy on the Management Committee for the Northeastern region due to Commissioner Thabault's resignation.

Director Hudson proceeded to the first item on the agenda, a report of the Product Standards Committee. Ms. Smith-Daley provided a report.

Ms. Smith-Daley stated that there were no new uniform standards ready for Management Committee action and informed that the Product Standards Committee was in the process of receiving comments regarding longevity annuity standards; graded death benefit standards; as well as amendments to existing uniform standards. Ms. Smith-Daley stated that the Product Standards Committee anticipated having these uniform standards ready for recommendation to members of the Management Committee in July. Ms. Smith-Daley then reported that the Product Standards Committee reviewed comments that were submitted regarding the Rate Filing Standards for Individual Long-Term Care Insurance—Issue Age Rate Schedule Only; and the Rate Filing Standards for Individual Long-Term Care Insurance—Modified Rate Schedules (“Rate Change Standards”). Ms. Smith-Daley advised that the Product Standards Committee, in consultation with the Actuarial Working Group, would take up any additional work on these uniform standards in the coming weeks. Ms. Smith-Daley further reported that a nationwide survey was distributed by the NAIC National Standards (EX) Working Group regarding several issues related to long-term care insurance and noted that the details from the survey would be shared once they were available. Ms. Smith-Daley stated that the Product Standards Committee would be prepared to make a recommendation to the Management Committee, during the IIPRC in-person meeting in August, in response to the comments received regarding the proposed long-term care uniform standards, issued on January 21, 2010.

Director Hudson asked if there were any questions or comments regarding the report of the Product Standards Committee. Hearing none, Director Hudson proposed that the reports of the Product Standards and Communications Committee be adopted in one motion. There were no objections to this proposal.

Director Hudson asked Commissioner Geeslin to discuss the comments submitted to the Management Committee on behalf of the Texas Department of Insurance regarding its proposed resolution to address national long-term care insurance rating issues.

Commissioner Geeslin indicated that as the Commission is in the process of completing its development of the proposed long-term care uniform standards, it should consider developing and adopting a national program that would be designed to protect consumers who own existing, pre-rate stabilized long-term care insurance products. Commissioner Geeslin explained that this endeavor would ultimately provide a safety net to all consumers who have long-term care insurance; including individuals who are presently limited to retaining pre-rate stabilized long-term care insurance products. Commissioner Geeslin advised that this proposal would not be inclusive with the proposed long-term care uniform standards so as not to jeopardize the development process; rather, it would be established in conjunction with this process.

Director Hudson asked if there were any questions or comments regarding the Texas Proposal.

Commissioner Goodwin expressed his support for the Texas Proposal with the understanding that the development of a national program would serve as a precautionary measure in the interest of protecting all long-term care insurance consumers.

Director Hudson asked if there were any questions or further comments.

Commissioner Holland asked Commissioner Geeslin to provide further insight regarding the Texas Proposal in terms of how the proposed national program would be developed.

Commissioner Geeslin advised that the proposed resolution to address long-term care rating issues would not replace the proposed long-term care uniform standards and reaffirmed that it would be established in

conjunction with the development process. Commissioner Geeslin indicated that the national program would include pre-rate and post-rate stabilized consumer protections.

Director Hudson indicated that the long-term care survey distributed by the NAIC National Standards (EX) Working Group should be informative to everyone with regard to the impact that long-term care insurance products have in the marketplace. Director Hudson stated that any recommendations or suggestions that develop from the survey results should be forwarded to the NAIC National Standards (EX) Working Group.

Director Hudson asked if there were further questions or comments.

Mr. Rink requested that the Texas Proposal be forwarded to the IIPRC Actuarial Working Group as its members are currently examining post-rate stabilization factors.

Ms. Krol expressed concerns about the Texas Proposal stating that the Commission does not serve as a nationalized entity and therefore could not operate on a national level. Ms. Krol then questioned how the Commission would evolve into another type of entity that would weigh in on pre-rate stabilization matters.

Commissioner Geeslin stated that the Texas Proposal would not supersede state laws that were adopted by Member states. Commissioner Geeslin indicated that the proposed resolution would provide form and/or rate flexibility with regard to long-term care insurance products.

Director Hudson indicated that further discussion regarding the resolution of national long-term care rating issues would be taken up during the IIPRC in-person meeting in August to allow for further comment and review. Director Hudson stated that all comments related to the Texas Proposal should be directed to Ms. Schutter.

Director Hudson moved to the next item on the agenda, a report of the Communications Committee. Commissioner Holland provided a report.

Commissioner Holland stated that the Communications Committee released its first edition of a quarterly newsletter in May which highlighted updates as well as operational and rulemaking activities of the IIPRC. Commissioner Holland reported that the Communications Committee received positive feedback about the newsletter following its initial publication and noted that the second publication is expected to be distributed in early August. Commissioner Holland reported that the IIPRC Office developed three (3) self-guided web-based tutorials to provide interested parties and IIPRC Members with an overview of the existing Uniform Standards and product filing process. Commissioner Holland noted that the tutorials are available on the Industry Resources page of the IIPRC website. Commissioner Holland also reported that the Communications Committee is working on reviewing the suggestions that were submitted to the Management Committee for the new IIPRC “doing business as” (DBA) name. Commissioner Holland stated that the list of suggested names will be narrowed to no more than five (5) names before a survey is sent out to the IIPRC’s general distribution list for a top pick. Commissioner Holland stated that the Communications Committee anticipates making a recommendation to the Management Committee on a final DBA name during the IIPRC in-person meeting in August.

Director Hudson asked if there were any questions or comments regarding the report of the Communications Committee. Hearing none, Director Hudson asked for a motion from members of the Management Committee to adopt the reports of the Product Standards and Communications Committee. Commissioner Dilweg made a motion and Commissioner Ross seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson turned to the next item on the agenda, the approval of the May 18 Joint Management Committee and Commission Meeting Minutes. Director Hudson asked members of the Management

Committee for a motion to approve the meeting minutes. Commissioner Ross made a motion and Commissioner Dilweg seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson addressed the next item on the agenda, an operational update of the IIPRC. Ms. Schutter provided a report.

Ms. Schutter reported that the IIPRC Office has completed its recruitment process for a new part-time Product Review Consultant. Ms. Schutter stated that Maureen Perry, a former regulator with the New Hampshire Insurance Department, was selected to fill the part-time position. Ms. Schutter noted that Ms. Perry has extensive knowledge and experience in reviewing life and health insurance products, after having served more than twenty years with the New Hampshire Insurance Department, and welcomed her to the Commission. Ms. Schutter noted that the three (3) newly developed web-based tutorials, as reported by Commissioner Holland, were available on the Industry Resources page of the IIPRC website. Ms. Schutter advised interested parties and Member states to view this section of the website for other useful filing resources. Ms. Schutter advised that the IIPRC is continuing to recruit additional members to serve on the Consumer Advisory Committee as there are currently five (5) vacant positions. Ms. Schutter encouraged Member states and interested parties to send any suggestions for prospective candidates to the IIPRC Office. Ms. Schutter highlighted the product filing activities of the IIPRC. Ms. Schutter stated that there are currently 88 companies who have registered to file with the IIPRC this year so far compared to 74 companies who registered in all of last year. Ms. Schutter noted that the annual registration fee would be prorated to \$2,500 beginning on July 1. Ms. Schutter reported that the IIPRC has received a total of 165 product filings this year so far, which is on track with IIPRC budget projections. Ms. Schutter noted that Illinois has passed Compact legislation and stated that its Governor has the bill and upon signature Illinois will become the 37th member to join the Commission. Ms. Schutter noted that upon the Governor's actions, additional information will be posted to the IIPRC website. Ms. Schutter advised that Compact legislation is currently pending in New York and New Jersey.

Director Hudson asked if there were any questions or comments regarding the operational update of the IIPRC. There were none.

Director Hudson asked if there were any other matters to be discussed. Hearing none, the meeting of the Management Committee of the IIPRC was adjourned.