



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

**Monday, July 26, 2010
1:30pm ET / 12:30pm CT / 11:30am MT / 10:30am PT**

1. Roll Call
2. **Report and Recommendation of the Product Standards Committee and Consider Adoption of Product Standards Committee Report and Recommendation**
3. **Report of Communications Committee and Consider Adoption of Communications Committee Report**
4. **Report of the Finance Committee and Consider Adoption of Finance Committee Report**
5. **Consideration of Approval of Meeting Minutes from June 28 Management Committee Meeting**
6. **Operational Update**
7. Any Other Matters
8. Adjourn

**Minutes of the Meeting of the Management Committee of the Interstate Insurance
Product Regulation Commission
Monday, July 26, 2010**

Members of the Management Committee in attendance:

Director Mary Jo Hudson, Chair, Ohio
Commissioner Sean Dilweg, Vice Chair, Wisconsin
Linda Shepherd as a designated representative for Commissioner Sandy Praeger, Treasurer, Kansas
Brenda Wilson as a designated representative for Commissioner Elizabeth Sammis, Maryland
Commissioner Joseph G. Murphy, Massachusetts
Joan Moiles as a designated representative for Commissioner Kenneth Ross, Michigan
Emmanuel 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
Michael Wilkey as a designated representative for Commissioner Roger A. Sevigny, New Hampshire
Ted Hamby as a designated representative for Commissioner Wayne Goodwin, North Carolina
Brad Harker as a designated representative for Commissioner Joel Ario, Pennsylvania
Jan Graeber as a designated representative for Commissioner Mike Geeslin, Texas
Beth Berendt as a designated representative for Commissioner Mike Kreidler, Washington

Members of the Commission in attendance:

Commissioner James J. Donelon, Louisiana
Director Ann M. Frohman, Nebraska
Commissioner Kim Holland, Oklahoma
Commissioner Leslie A. Newman, Tennessee
Commissioner Neal T. Gooch, Utah

State Regulator Staff in attendance:

John Kissling, Indiana
Rebecca Vaughn, Indiana
Marlyn Burch, Kansas
Ron Henderson, Louisiana
Tom Travis, Louisiana
Edward Charbonnier, Massachusetts
Brian Pennington, Minnesota
Sue Real, Ohio
Kathie Stepp, Oklahoma
Shawn Hawk, Tennessee

Members of the Legislative Committee in attendance:

Michael Humphries, National Conference of Insurance Legislators (NCOIL)

Members of the Industry Advisory Committee in attendance:

Steve Buhr, AEGON/Transamerica Group
Bill Anderson, NAIFA
Tom English, New York Life Insurance Company

Members of the Consumer Advisory Committee in attendance:

Sonja Larkin-Thorne
Brendan Bridgeland, Center for Insurance Research

Interested Regulators in attendance:

Bill McAndrew, Illinois
James Hulme, New York

Interested Parties in attendance:

Cande Olsen, ACLI
William White, Genworth Financial
Angela Cox, Nationwide Insurance
Linda Pena, New York Life Insurance Company
Paula Kunkel-White, North American Company for Life and Health Insurance

IIPRC Team in attendance:

Karen Schutter, Executive Director
Karyn Onyeneho, Administrative Assistant
Alice Fontaine, Actuarial Consultant
David Morris, Product Review Consultant
Maureen Perry, Product Review Consultant
Charles Rappaciuolo, Marketing and Development Consultant

NAIC Staff in attendance:

Becky McElduff, Senior Counsel
Kara Binderup, Staff Attorney

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

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

Ms. Graeber proposed to the Management Committee the recommendation of two (2) new uniform standards and (4) amendments to existing Uniform Standards; namely the:

- Additional Standards for Graded Death Benefit for Individual Whole Life Insurance Policy Standards;
- Individual Deferred Paid-Up Non-Variable Annuity Contract Standards (Commonly Marketed as Longevity Annuities);
- Amendment to Individual Whole Life Insurance Policy Standards;
- Amendment to Individual Term Life Insurance Policy Standards;
- Amendment to Individual Deferred Non-Variable Annuity Contract Standards; and the
- Amendment to Additional Standards for Intermediate Period Endowment Benefit Features for Individual Life Insurance Policies.

Ms. Graeber stated that the Additional Standards for Graded Death Benefit for Individual Whole Life Insurance Policy Standards; and the Individual Deferred Paid-Up Non-Variable Annuity Contract Standards (Commonly Marketed as Longevity Annuities) provide new products or features for individual life insurance and annuity products, as applicable. Ms. Graeber also stated that the proposed amendments to existing Uniform Standards provide additional details on conditions for reinstatement as well as provide clarification for new products and features. Ms. Graeber reported that the Product Standards Committee held a public meeting on June 22 to receive comments on the aforementioned proposed Uniform Standards and amendments to Uniform Standards; as well as to receive comments on the proposed long-term care uniform standards issued on January 21, 2010. Ms. Graeber noted that comments received for the newly proposed

uniform standards were incorporated into the drafts. Ms. Graeber noted that the NAIC National Standards Working Group worked carefully on drafting the proposed uniform standards. Moreover, Ms. Graeber reported that the Product Standards Committee worked scrupulously through the development of the proposed uniform standards and completed a thorough review of comments that were received for the uniform standards. Ms. Graeber indicated that the Product Standards Committee would report back to the Management Committee with any final revisions to the proposed long-term care uniform standards during the IIPRC August in-person meeting. Ms. Graeber noted that the Product Standards Committee would convene additional meetings in the coming weeks in order to ensure that this effort was met.

Director Hudson asked if there were any questions or comments regarding the report of the Product Standards Committee. Hearing none, Director Hudson asked for a motion from members of the Management Committee to adopt the report of the Product Standards Committee. Ms. Berendt made a motion and Commissioner Dilweg seconded the motion. A roll call vote was taken and the motion passed unanimously.

Director Hudson advised that the two (2) new uniform standards and four (4) amendments to existing Uniform Standards that were being considered for recommendation would be posted on the Docket located on the IIPRC website following this meeting.

Ms. Schutter stated that the proposed uniform standards would be available on the IIPRC website for a 60 day notice and comment period. Ms. Schutter also stated that a public hearing on the proposed uniform standards would commence during the IIPRC October in-person meeting.

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

Commissioner Holland reported that the Communications Committee was in the process of developing a recommendation to the Management Committee to consider adopting a new IIPRC “Doing Business As” (DBA) name during its August in-person meeting. Commissioner Holland noted that the Communications Committee in May asked Commission Members and interested parties to offer suggestions for a new business name. Commissioner Holland stated that the Communications Committee received many responses from individuals who have been involved with or who have followed the IIPRC through its development process. Commissioner Holland reported that the Management Committee narrowed the list of suggested names down to five (5) names and then distributed a survey in June to Commission Members and interested parties to survey which business name was most preferred. Commissioner Holland noted that the Communications Committee would convene a public meeting on August 9 to receive comments on the Committee’s recommendation for a final DBA or business name for the IIPRC.

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

Director Hudson moved to the next item on the agenda, a report of the Finance Committee. Director Frohman provided a report.

Director Frohman reported that the Finance Committee has been working closely with the IIPRC Office in preparation of the 2011 Proposed Budget. Director Frohman noted that the Finance Committee would convene a public meeting on July 29 to receive comments on the 2011 Proposed Budget as well as to receive comments on proposed amendments to the Terms and Procedures for IIPRC Filing Fees (“Filing Fee Rule”). Director Frohman stated that the Finance Committee anticipates recommending these proposals to the Management Committee following the IIPRC August in-person meeting. Director Frohman reported that the Finance Committee has been monitoring the actual revenue and expenses of the IIPRC Office and stated that budgeted revenue was at 80% as of the end of June; and budgeted expenses were just below 80% to date.

Director Frohman noted that the budgeted revenue fell below 100% due to a few key reasons; including: 1) the accrual of a considerable amount of deferred revenue originating from registered companies that have not yet made a filing in 2010; 2) the lack of regional company registrations; and 3) the discounted Annual Registration Fee period for companies who registered on or before January 31. Director Frohman then reported that the IIPRC recently reached its 100th mark for the number of companies registered this year so far. Director Frohman noted that as of July 1, the Annual Registration Fee was prorated to \$2,500 for insurers; and \$1,250 for regional insurers. Director Frohman indicated that this proration is expected to generate a number of additional company registrations through the end of the year.

Director Hudson asked if there were any questions regarding the report of the Finance Committee. Hearing none, Director Hudson asked for a motion to adopt the reports of the Communications and Finance Committees. Commissioner Dilweg made a motion and Mr. Sisk seconded the motion. A roll call vote was taken and the motion passed unanimously.

Director Hudson addressed the next item on the agenda, the approval of the June 28 Management Committee Meeting Minutes. Director Hudson asked for a motion to approve the meeting minutes. Commissioner Dilweg made a motion and Mr. Hamby 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 moved to another agenda item, under any other matters, in which she addressed the vacancy of members on the Consumer Advisory Committee. Director Hudson indicated that the Consumer Advisory Committee was established as an eight (8) member committee; although its current membership is comprised of just four (4) members. Director Hudson stated that Ms. Larkin-Thorne was selected as a prospective candidate to serve on the Consumer Advisory Committee as the Management Committee recently received her application. Director Hudson informed that James Wenzel would be stepping down from the Consumer Advisory Committee as he will not be seeking another two-year appointment. Additionally, Director Hudson stated that Ken Libertoff would be retiring at the end of the year and at that time would no longer serve on the Committee. Director Hudson indicated that Ms. Larkin-Thorne has served as an NAIC Liaison Consumer Representative for the past two (2) years as well as has served on many boards and committees including the Connecticut affiliate of the Susan G. Komen for the Cure; the Connecticut Breast and Cervical Cancer Early Detection Program; and the NAIC Consumer Board of Trustees. Director Hudson stated that Ms. Larkin-Thorne retired as Vice President of Government Affairs for the Hartford after 20 years of experience in the insurance industry. Director Hudson advised that Ms. Larkin-Thorne does not represent a national, state or local consumer non-profit organization, which is a requirement prescribed in the Consumer Advisory Committee Application Process, and asked for a waiver of this requirement in considering her appointment to serve on the Committee.

Director Hudson asked for a motion to appoint Ms. Larkin-Thorne to serve on the Consumer Advisory Committee with the consideration to waive the membership requirement, as previously mentioned. Commissioner Dilweg made a motion and Mr. Hamby seconded the motion.

Director Hudson asked for a roll call vote from members of the Management Committee to approve the appointment of Ms. Larkin-Thorne to serve as a member on the Consumer Advisory Committee. A roll call vote was taken and the motion passed unanimously.

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

Ms. Schutter reported that the IIPRC Annual Registration Fee was prorated on July 1 to \$2,500 for insurers; and \$1,250 for regional insurers. Ms. Schutter stated that additional company registrations were expected through the year and noted that there were already 100 companies registered with the IIPRC so far this year compared to the 74 companies who registered in all of last year. Ms. Schutter reported that the IIPRC Office

has received almost 275 product filings to date. Ms. Schutter provided an update on Compact legislation for Illinois in which she stated that Governor Quinn issued an amendatory veto to the Compact legislation on July 20 requesting an amendment to the legislation that the effective date of membership for Illinois would be July 1, 2011.

Director Hudson asked if there were any questions regarding the IIPRC operational update. 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.