

**Explanatory Statement Regarding Approval of Proposed Rule for  
the Adoption of Conforming Amendments to a Uniform Standard**

On September 27, 2007, following a public hearing to receive comments from interested parties and the opportunity for discussion, the Management Committee of the Interstate Insurance Product Regulation Commission ("IIPRC") approved a proposed rule for the adoption of conforming amendments to a Uniform Product Standards. This explanatory statement is being issued in accordance with the procedure established by Section 109 of the IIPRC's Rule for Adoption, Amendment and Repeal of Rules for the Interstate Product Regulation Commission.

The Management Committee has approved this proposed operating procedure in order to establish appropriate procedures to create uniform standards pursuant to Article III, § 3 of the Bylaws of the IIPRC, and the Management Committee believes that this proposed rule establishes the appropriate procedures in accordance with the requirements of the Bylaws.

There are no changes between the text of the rule as approved by the Management Committee and the text of the proposed rule contained in the notice of proposed rule issued on July 25, 2007. No comments were received on the proposed rule.

**INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION  
RULE FOR THE ADOPTION OF CONFORMING AMENDMENTS  
TO A UNIFORM STANDARD**

**§ 101. Purpose.**

Pursuant to Article III of the Bylaws of the Interstate Insurance Product Regulation Commission, this rule ("Rule") establishes procedures for a Conforming Amendment to a Uniform Standard.

**§ 102. Definitions.**

- (a) Except as specifically defined herein, the terms as defined in Article II of the Compact shall have the same meaning in this Rule as if such definitions were set forth fully herein.
- (b) "Commission" means the Interstate Insurance Product Regulation Commission.
- (c) "Compact" means the Model Interstate Insurance Product Regulation Compact enacted in each of the Compacting States.
- (d) "Conforming Amendment" means:
  - (i) an amendment (including a change, deletion or addition) to one or more product requirements in an Existing Uniform Standard;
  - (ii) where the substantive provisions of the amendment are included in a Reference Uniform Standard; and
  - (ii) where the amendment will have the same substantive effect on the application of the Existing Uniform Standard as it does on the application of the Reference Uniform Standard.
- (e) "Existing Uniform Standard" means a Uniform Standard that has been adopted by the Commission as of the time a Conforming Amendment is proposed pursuant to this Rule.
- (f) "Reference Uniform Standard" means a Uniform Standard that has been adopted pursuant to the Rulemaking Rule, other than pursuant to Section 108 of the Rulemaking Rule, with the substantive provisions of a Conforming Amendment.<sup>1</sup>
- (g) "Rulemaking Rule" means the Rule for Adoption, Amendment and Repeal of Rules for the Interstate Insurance Product Regulation Commission, as amended from time to time.

**§ 103. General Rule for Amendments.**

Except as specifically provided in this Rule, the Rulemaking Rule shall apply to any amendment of a Uniform Standard.

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<sup>1</sup> Section 108 of the Rulemaking Rule allows for adoption of temporary, emergency rules.

**§ 104. Procedure**

- (a) The Product Standards Committee shall submit any proposal for a Conforming Amendment to the Management Committee.
- (b) The proposal for a Conforming Amendment shall be in writing, and shall:
  - (i) identify each Existing Uniform Standard to be amended and the specific product requirements in each Existing Uniform Standard that are the subject of the amendment;
  - (ii) identify the Reference Uniform Standard and the specific product requirements of the Reference Uniform Standard that incorporate the proposed Conforming Amendment;
  - (iii) include all proposed amendments to the Existing Uniform Standard(s) in redline and strikeout format; and
  - (iv) include an analysis of the substantive effect of the proposed Conforming Amendment as incorporated in the Reference Uniform Standard, and an analysis demonstrating that the Conforming Amendment would have the same substantive effect as applied to the Existing Product Standard(s).
- (c) The Executive Director shall provide written notice of a proposed Conforming Amendment, which shall include the written proposal described in Section 104(b), to the Legislative Committee, the Consumer Advisory Committee, the Industry Advisory Committee, and to the relevant state legislative committees in each compacting state responsible for insurance issues. The Executive Director also shall post the written notice on the Commission's website.
- (d) The Management Committee shall consider and vote on approval of the proposed Conforming Amendment at its next regular or special meeting after receipt of the proposal for the Conforming Amendment, where such consideration and vote may be included timely in the agenda for such meeting. A Conforming Amendment shall be approved only upon a vote of at least 2/3 of the members of the Management Committee present at the meeting.
- (e) If the Management Committee approves a Conforming Amendment, the Executive Director shall notify each member of the Commission in writing within seven (7) days of such approval. The notice shall include the information included in the form of notice described in Section 104(c).
- (f) During the period of fifteen (15) days from the date the notice is sent to the Commission members, any member of the Commission may call for consideration and a vote on adoption of the Conforming Amendment at a meeting of the entire Commission, which

meeting shall be held in accordance with the terms of the Bylaws. A vote of at least 2/3 of the members of the Commission present at the meeting shall be required for adoption of the Conforming Amendment. If the Commission votes to adopt a Conforming Amendment, the Existing Uniform Standard shall be amended by the Conforming Amendment and shall be effective as amended as of the date of the vote approving adoption. If the Commission disapproves adoption of the Conforming Amendment, the Existing Uniform Standard shall not be amended by the Conforming Amendment.

- (g) If no member of the Commission requests consideration and a vote on adoption pursuant to Section 104(f), the Existing Uniform Standard shall be amended by the Conforming Amendment and shall be effective as amended as of the end of the fifteen-day period described in Section 104(f).

**§ 105. Adoption; Effective Date.**

This Rule was adopted by the Commission on \_\_\_\_\_, pursuant to the procedures set forth in the Rulemaking Rule. This Rule is effective on \_\_\_\_\_.