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DRAFT MEMORANDUM FOR PUBLIC COMMENT

TO: MEMBERS OF THE MANAGEMENT COMMITTEE

FROM: MEMBERS OF THE FINANCE COMMITTEE

DATE: JULY 29, 2010

SUBJECT: PROPOSED AMENDMENTS TO THE "FILING FEE" RULE

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The Finance Committee respectfully requests the Management Committee's consideration of a proposal to structurally amend the Terms and Procedures for IIPRC Filing Fees (the "Filing Fee Rule"). These changes involve removing reference to the specific amount of fees and having a process for developing a Schedule of IIPRC Fees that would be considered and adopted on an annual basis in conjunction with the IIPRC annual budget. The types of IIPRC Fees would continue to be defined within the Filing Fee Rule and would provide IIPRC the flexibility to evaluate the applicable fees and make changes, as appropriate, in order to cover IIPRC operating costs and respond to the development of new Uniform Standards as well as the activities in the product filing operations.

The Filing Fee Rule has been in effective for close to three (3) years. When it was adopted in September 2007, the provisions for an Annual Registration Fee and IIPRC Per Filing Fee were set forth. When it was amended in April 2009, the provisions for a Regional Insurer Fee and Amended Filing Fee were set forth.

In addition to revamping the structure and organization of the Filing Fee Rule, the following substantive changes are being proposed to these IIPRC Fees:

- a) Amending the definition of Regional Insurer to include companies that file in 12 or less states which is an increase from the current threshold of 5 or less states. Since this provision was implemented, only one company has registered as a Regional Insurer. By increasing the number of states, the IIPRC believes several companies who are not registered because of their size will utilize this category.
- b) Amending the definition of Amended Filing to remove the condition that the Product Filing must have been approved within the past 60 days. The IIPRC often receives requests to update or correct a Product Filing that has been closed for more than 60 days where amending the Product Filing is more appropriate and efficient than submitting a new Product Filing.

- c) Adding provisions to further clarify that the company has the obligation to verify and remit Member State Filing Fees and IIPRC Filing Fees; and to clarify that the IIPRC will not issue refunds of the Member State filing fees.
- d) Amending the provision that allows a company to carry forward their Annual Registration Fee if it did not submit a Product Filing in the year in which the fee was paid. The suggested amendment allows companies that pay an Annual Registration Fee but do not make a filing by December 31, 2010 to carry forward this fee until the end of 2011, and does not allow this practice for Annual Registration Fees paid for 2011 and beyond.

Thank you for your consideration.