

March 23, 2007

Re: Comments on "Mix and Match"

To the Management Committee:

On behalf of the Life Insurance Settlement Association (LISA), thank you for the opportunity to comment on the proposed Operating Procedure for the Filing and Approval of Product Filings (the "Operating Procedure"). Approval of this Operating Procedure has been complicated by what is being called the "mix and match" issue, which refers to whether the Commission will permit insurers to use a policy form, application, rider or endorsement that has been approved by the Commission with a policy form, application, rider or endorsement that has been approved by a State.

For the reasons stated below, LISA supports the revisions that were proposed by Vermont and Ohio at the March 9 Management Committee Meeting. The Vermont and Ohio revisions would permit "mix and match" under certain conditions for a period extending two years from the effective date of the Operating Procedure. This gives insurers a transition period to prepare their products for filing with the Commission and ensures that the Commission will have time to adopt the necessary standards and establish the capability to process product filings.

Perhaps most importantly, the Vermont and Ohio revisions solve what Washington has called the "pick and choose" problem. This problem arises when insurers are permitted to pick and choose which standards they would like to apply to them. If no deadline is placed on insurers' ability to combine product components approved by the Commission with less stringent product components approved by a State, insurers would have no motivation to create products that fully comply with Commission standards or to file such products with the Commission. This would undermine the goals of uniformity and of consumer protection which are the hallmarks of the Commission. **The IIPRC was created with the promise that it would combine national insurance product standards and a central point of filing with a high level of protection to consumers.** If "mix and match" is made permanent, filers would be able to reap the benefits of the IIPRC without having to adhere to the promise of high standards and consumer protections in all participating IIPRC states.

The Vermont and Ohio revisions establish a transition period for "mix and match" that will ensure the future success and integrity of the IIPRC. We urge you to resist efforts by insurers to make "mix and match" permanent and thereby gut the important consumer protections that the Commission has spent so much time writing into its uniform standards.

Sincerely,



LISA Executive Director