

MEMORANDUM

To: Members of the Interstate Insurance Product Regulation Commission (IIRPC)
Members of the IIRPC Legislative and Advisory Committees

From The State of Ohio
The State of Vermont

Date: March 23, 2007

Re: The Product Filing Rule and Mix and Match Amendments

Since the Commission meeting in New York, Ohio and Vermont have drafted revisions to the Product Filing Rule to take into account comments received from Members of the Commission and interested parties on “mix and match.” Attached to this Memo is an updated version of the Product Filing Rule with these new “mix and match” provisions.

These new revisions can be summarized as follows:

- In § 102, several new definitions were added to clarify terms used in the mix and match proposal, and some technical changes were made to existing definitions.
- In §110,
 - The term “Product” was removed out of concern it was ambiguous in the context of “mix and match.” More precise language, referring to the combination of a “State Product Component” with a “Commission Product Components”, was used instead.
 - The first sentence of (b)(1) was deleted. A sentence was added clearly stating that a product component filed with the commission may be used with a state product component provided certain conditions are met.
 - Paragraph (b) still requires the insurer to file a statement identifying the state product components that will be used with the commission product components. However, the language was amended to give flexibility to the Commission as to what information it will require. The revised language also allows individual states to require more detailed information pertaining to that state, such as form numbers and filing dates, if that state so desires.
 - Paragraph (b)(2)(i) was amended to remove the requirement that the commission product component comply with state law. This provision was confusing because the commission product component is approved by the commission under the uniform standards, not state law, and therefore it was removed. This same change was made in paragraph (b)(3).

- Former paragraph (b)(1)(B) was deleted because States will have access to the necessary information in SERFF.
- In addition to the change to paragraph (b)(3) mentioned above, a sentence was added at the end to make clear that a Commissioner is authorized to take any action under state law regarding a combined product, and need not obtain approval from the Commission to do so.
- Paragraph (b)(4) contemplates that “mix and match” will end for a product line two years after the commission adopts standards for that product line. A list of the standards to be adopted for each product line will be attached as Appendix A. Two exceptions to the two year deadline were added as follows: (1) mix and match may continue after two years for in-force policies that are already mix and match policies, and (2) the Executive Director may allow mix and match after the two year period for good cause shown subject to Management Committee oversight.
- A new paragraph (5) was added to make clear that commission product components cannot be mixed or matched with state product components for product lines not subject to the compact.

Ohio and Vermont looks forward to discussing these changes at the upcoming Management Committee Meeting.