

**Minutes of the Meeting of
the Management Committee of the
Interstate Insurance Product Regulation Commission**

**Tuesday, November 28, 2006
Conference Call**

Management Committee Members in Attendance:

Commissioner Diane Koken (PA), Chair
Commissioner Jane Cline (WV), Vice-Chair
Carol Mihalik (IN) as designated representative for Commissioner Jim Atterholt
Patrick Nelson (MN) as designated representative for Commissioner Glenn Wilson,
Secretary-Treasurer
Joseph Murphy (MA) as designated representative for Commissioner Julie Bowler
Ted Hamby (NC) as designated representative for Commissioner Jim Long
Peg Ising (OH) as designated representative for Director Ann Womer Benjamin
Michael Ridgeway (OK) as designated representative for Commissioner Kim Holland
Sara Waitt (TX) as designated representative for Commissioner Mike Geeslin
Herb Olson (VT) as designated representative for Commissioner John Crowley
Don Beatty (VA) as designated representative for Commissioner Alfred W. Gross
Beth Berendt (WA) as designated representative for Commissioner Mike Kreidler (WA)

1. Prioritization and Timeline for Adoption of Uniform Standards

Commissioner Koken stated the Commission requested Management Committee review the priority order for adoption of standards. The Industry Advisory Committee has pointed out that in light of the new CSO mortality tables, companies will be required to submit new filings and recommended the Commission adopt whole life and term life product standards next. Ms. Berendt indicated her support of this recommendation as it makes sense for the companies and the Commission. Ms. Waitt indicated the Product Standards Committee drafted the initial timeline for the adoption of product standards based on the product filing experience in the System for Electronic Rate and Form Filing. The priority of the industry should be given considerable weight as they will be the ones utilizing the Commission's product filing operations.

Michael Lovendusky (American Council of Life Insurers) indicated that because the 2001 CSO filing requirements require all products to use these tables by 2009, the Commission would be an optimal vehicle for these filings. Mr. Lovendusky acknowledged the Commission has already started the rulemaking process for five (5) universal life policies and the life application. The Industry Advisory Committee is recommending whole life and term life standards be taken up next. Mr. Lovendusky said the product standards for the riders in the queue will be very helpful to companies looking to do their filing with the compact. The Industry Advisory Committee also advised that product standards for annuities are expected to undergo several changes and it may be better to focus on completing the suite of product standards for life insurance. Commissioner Koken asked the Product Standards Subcommittee to prepare a proposal for prioritization and 2007 timeline for adoption of uniform product standards to the Management Committee's consideration at its meeting on December 8, 2007.

Mr. Olson asked whether it would be beneficial to prepare a comparable timeline for the drafting and adopting of rules and operating procedures. Commissioner Koken asked the Rulemaking Committee to prepare a similar prioritization and 2007 timeline for adoption of rules and operating procedures.

2. Consider Adoption of NAIC Employee Handbook for Commission Employees

Commissioner Koken stated it is necessary for the Commission to have a set of policies in place to govern Commission employees by the time Frances Arricale begins on December 1, 2006 as the Commission's Executive Director. Commissioner Koken noted that under the proposed Services Agreement, the NAIC provides human resource services to the Commission. Mr. Beatty moved to adopt the NAIC Employee Handbook on an interim basis with a charge to the Executive Director to review the policies and then make a recommendation to the Management Committee with six (6) months whether to adopt them on a more permanent basis, to make changes, or to adopt different policies and procedures. Mr. Nelson seconded the motion. A roll call vote was conducted and the motion passed unanimously.

3. Adjourn to Executive Session

Commissioner Koken indicated the Management Committee had two items dealing with confidential personnel matters including finalizing the Executive Director's employment contract and discussion of the Commission's employee benefits package. Director Womer Benjamin made a motion to adjourn the public portion of this meeting and hold the remainder of the meeting in executive session to discuss confidential personnel matters. Commissioner Cline seconded the motion. A roll call vote was conducted and the motion passed unanimously.

During the Executive Session, the Management Committee, upon motion of Commissioner Cline and second of Mr. Nelson, adopted a motion to approve the contract for the Executive Director and authorize Commissioner Koken and Superintendent Iuppa to handle any further changes or questions with Ms. Arricale. A roll call vote was conducted and the motion passed unanimously.

Superintendent Iuppa provided an updated on the development of the Commission employee benefits package. No further action was taken.

Having no further business, the Commission adjourned.