

INTERSTATE INSURANCE  
PRODUCT REGULATION COMMISSION



*States, Strength & Speed Aligned*

**TELECONFERENCE MEETING**  
**OF THE MANAGEMENT COMMITTEE**  
**OF THE**  
**INTERSTATE INSURANCE PRODUCT**  
**REGULATION COMMISSION (IIPRC)**

**Monday, February 23, 2009**  
**1:30pm ET / 12:30pm CT / 11:30pm MT / 10:30pm PT**

**AGENDA**

1. Roll Call
2. **Public Hearing on Uniform Standards Issued December 12, 2008**
3. **Consider Approval of Uniform Standards from Public Hearing**
4. **Report of Product Standards Committee and Consider Adoption of Product Standards Committee Report**
5. **Report of the Finance Committee and Consider Adoption of Finance Committee Report**
6. **Review of IIPRC Outreach Efforts**
7. **Report of the Search Committee**
8. **Consideration of Approval of Prior Management Committee Meeting Minutes**
9. **Operational Update**
10. Any Other Matters
11. Adjourn

**Minutes of the Meeting of Management Committee of  
The Interstate Insurance Product Regulation Commission (IIPRC)  
Monday, February 23, 2009**

**Management Committee Members in attendance:**

Commissioner Jane L. Cline, Char, West Virginia  
Director Mary Jo Hudson, Vice Chair, Ohio  
Commissioner Sean Dilweg, Treasurer, Wisconsin  
Margaret Witten as a designated representative for Commissioner John Oxendine, Georgia  
Director William Deal, Idaho  
John Kissling as a designated representative for Director Jim Atterholt, Indiana  
Ted Hamby as a designated representative for Commissioner Wayne Goodwin, North Carolina  
Commissioner Kim Holland, Oklahoma  
Brad Harker as a designated representative for Commissioner Joel Ario, Pennsylvania  
Sara Waitt as a designated representative for Commissioner Mike Geeslin, Texas  
Commissioner Paulette Thabault, Vermont  
Don Beatty as a designated representative for Commissioner Alfred W. Gross, Virginia

**Commission Members in attendance:**

Commissioner Sharon P. Clark, Kentucky  
Director Ann Frohman, Nebraska  
Commissioner Kent Michie, Utah

**Regulator Staff in attendance:**

John Kissling, Indiana  
Marlyn Burch, Kansas  
Ron Henderson, Louisiana  
Tom Record, Maine  
Brian Pennington, Minnesota  
Kathie Stepp, Oklahoma  
Sol Marrero, Puerto Rico  
Beth Dwyer, Rhode Island  
Shawn Hawk, Tennessee  
Betsy Jerome, Utah  
Beth Berendt, Washington  
Victor Mullen, West Virginia  
Tim Murphy, West Virginia  
Barbara Hudson, West Virginia

**Interested Regulators in attendance:**

James Hulme, New York  
Gayle Keren, New York  
Mary Kosinski, Arizona

**Legislative Committee Members in attendance:**

Mike Humphries, NCOIL  
Susan Nolan, NCOIL

**Industry Advisory Committee Members in attendance:**

Steve Buhr, AEGON / Transamerica Group  
Michael Gerber, National Association of Insurance and Financial Advisors (NAIFA)  
Dennis Herchel, Massachusetts Mutual

Cande Olsen, Actuarial Resources on behalf of ACLI

**Consumer Advisory Committee Members in attendance:**

T. Ryan Wilson, American Association of Retired Persons (AARP)

**Interest Parties in attendance:**

Linda Elston, Riversource

Leo Grace, AIG

Nancy Johnson, Unum

John Proper, AIG

**IIPRC Team:**

Karen Schutter, Interim Executive Director

Sara Dubsky, Operations Manager

Karyn Onyeneho, Administrative Assistant

Charles Rapacciuolo, Development Consultant

David Morris, Product Review Consultant

Alice Fontaine, Actuarial Consultant

**NAIC Staff in attendance:**

Amanda Yanek, Policy Analyst

Becky McElduff, Senior Counsel

Kara Binderup, Staff Attorney

Commissioner Cline called to order the meeting of the Management Committee of the Interstate Insurance Product Regulation Commission (IIPRC).

Director Frohman provided the report of the Finance Committee and stated that the Committee met via teleconference on February 11 to review and receive comments on the proposed amendments to the IIPRC Terms and Procedures for IIPRC Filing Fees Rule. Director Frohman noted there are two (2) proposed amendments to the IIPRC filing fee structure. The first proposed amendment would reduce the Annual Registration Fee for regional companies. A regional company would be defined as a company who files in five (5) or less states on an annual basis. The Annual Registration Fee would be \$2,500 and prorated to \$1,250 on July 1 of each year. The amendment would also add a per product filing fee for regional companies of \$250. Director Frohman noted that the second proposed amendment would require a filing fee for amended filings, with the exception of amendments that correct typographical or formatting errors; add states to or update the Statement of Intent and Certification for the "Mix and Match" or "Reverse Mix and Match" process. Director Frohman concluded the report and made a recommendation that the Management Committee expose the two (2) proposed amendments for a 60 day public comment period.

Commissioner Cline asked if there were any questions for Director Frohman. Hearing none, Commissioner Cline asked if there was a motion to adopt the Report of the Finance Committee. Commissioner Dilweg made the motion and Director Deal seconded. A roll call vote was taken and the motion passed unanimously.

Commissioner Cline turned to the next item on the Agenda, the Public Hearing on Uniform Standards issued December 12, 2008. Commissioner Cline noted that the Public Hearing was requested by Director Hudson. Commissioner Cline noted that comments from the Industry Advisory Committee had been received regarding the three (3) Uniform Standards and the technical changes would be incorporated into the Standards before final adoption.

Commissioner Cline asked if there were any comments on the Public Hearing on Uniform Standards. Ms. Olsen noted that the Industry Advisory Committee supported the technical changes. Commissioner Cline asked if there were any other comments. Hearing none, Commissioner Cline concluded the Public Hearing.

Commissioner Cline turned to the next item on the Agenda, approval of the three (3) Uniform Standards and one (1) amendment from the Public Hearing. The three (3) standards were identified as: Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts; Additional Standards for Intermediate Period Endowment Benefit Features for Individual Life Insurance Policies (including Return of Premium); Additional Standards for Index-Linked Crediting Benefit Features for Individual Flexible Premium Adjustable Life Insurance Policies ; and the one (1) amendment was identified as Amendments to Core Standards for Individual Deferred Variable Annuity Contracts.

Commissioner Cline asked if there was a motion to approve the Standards with the amendments as suggested by the Industry Advisory Committee. Mr. Harker made a motion and Commissioner Dilweg seconded the motion. Commissioner Cline asked if there were further discussion. Hearing none, a roll call vote was taken and the motion passed unanimously. Commissioner Cline noted that the Commission would consider the adoption of these Standards at the March 14 meeting in San Diego, CA.

Commissioner Cline turned to the next item on the Agenda, the Report of the Product Standards Committee and consideration of the Report and Recommendation of the Product Standards Committee report.

Ms. Waitt stated that the Product Standards Committee met via teleconference on February 19 to review and receive comments on two (2) Uniform Standards for individual annuity benefit features and no comments were received during this meeting. Ms. Waitt noted that the first standard is the Additional Standards for Market Value Adjustment Feature Provided Through a Separate Account, also known as the Modified Guaranteed Annuity (MGA) which are built into individual deferred non-variable annuity contracts and non-variable portions of individual deferred variable annuities (including index-linked annuities) or added to such contracts at issue by rider, endorsement or amendment and whose assets are held in a separate account. Ms. Waitt noted that the second standard is the Additional Standards for Market Value Adjustment Feature Solely Through a General Account, which are built into individual deferred non-variable annuity contracts and general account portions of individual deferred variable annuities (including index-linked annuities) or added to such contracts at issue by rider, endorsement or amendment, that are provided through a general account. Ms. Waitt recommended that the Management Committee expose the two (2) proposed uniform standards for a 60 day public comment period.

Ms. Waitt stated that the Product Standards Committee has begun the technical review of Long-Term Care Rate Standards and Long-Term Care Policy Standards and had been reviewing the substance of these uniform standards in anticipation of the results of the Long-Term Care survey. Ms. Waitt noted that the Product Standards Committee is scheduled to meet on March 5 for a public teleconference for the purpose of reviewing and discussing Long-Term Care Rate data and issues. Ms. Waitt concluded the Report of the Product Standards Committee.

Commissioner Cline asked if there were any questions for Ms. Waitt. There were no additional comments or questions. Ms. Waitt made a motion to adopt the report and recommendation of the Product Standards Committee. The motion was seconded by Mr. Beatty. Commissioner Cline asked if there were further discussion. Hearing none, a roll call vote was taken and the motion passed unanimously.

Commissioner Cline thanked the Product Standards Committee for their constant work in the development of additional Standards. Commissioner Cline noted that the additional Standards will be exposed for a 60 day public comment period and made available on the Rulemaking Docket of the IIPRC website.

Commissioner Cline turned to the next item on the Agenda, the review of IIPRC outreach efforts. Commissioner Cline called on Commissioner Holland, to provide an update.

Commissioner Holland stated that the Communications Committee recently discussed establishing a focus group for the purposes of gauging the effectiveness of the IIPRC filing process. Commissioner Holland noted that Commissioner Geeslin had submitted a draft outlining the parameters for a focus group for the purpose of further discussion in evaluating this concept. Commissioner Holland concluded the Review of IIPRC Outreach Efforts.

Commissioner Cline asked Ms. Schutter to provide information on the outreach efforts that the IIPRC Office has recently done. Ms. Schutter stated that the IIPRC had been participating in domestic outreach events with a few member states and noted that the IIPRC held a presentation on January 28, with the Tennessee Department of Insurance. Ms. Schutter noted that Mr. Rapacciuolo assisted the Tennessee Department with this event. Ms. Schutter further noted that the IIPRC hosted a webinar session earlier in the day for the Kentucky Department of Insurance for their domestic companies. Ms. Schutter stated that these outreach endeavors were effective in providing useful information to domestic companies. Ms. Schutter noted that on February 25, the IIPRC will host a webinar session geared towards demonstrating how Uniform Standards and the Product Coding Matrix (PCM) relate. Ms. Schutter stated that additional information for this webinar session was available on the IIPRC website.

Commissioner Cline asked if there were any questions for Commissioner Holland or Ms. Schutter regarding comments about the recent outreach efforts of the IIPRC. Hearing none, Commissioner Cline turned to the next item on the Agenda, a report of the Search Committee.

Director Hudson provided a Report of the Search Committee and highlighted the members of the Search Committee - Minnesota, Ohio, Oklahoma, Texas, West Virginia and Wisconsin. Director Hudson stated that the Committee is working with the Human Resources Department of the NAIC. Director Hudson noted that an employment posting for the Executive Director position was made available in the National Underwriter, Business Insurance, as well as three (3) online websites which the NAIC uses regularly. Director Hudson explained that the administrative costs associated for posting this opening were minimal and that there had been just over 100 applications received. Director Hudson noted that the application period would close by the end of the week and that the Search Committee will evaluate the resumes received at that point with the intention of narrowing the list of prospective candidates.

Commissioner Cline asked if there were any questions or comments for Director Hudson regarding the report of the Search Committee. Hearing none, Commissioner Cline noted that there would be regular updates made available with regard to the Search Committee.

Commissioner Cline turned to the next item on the Agenda, the consideration of the approval of prior Management Committee Meeting Minutes from January 26. Commissioner Cline noted that Mr. Beatty submitted technical changes which had been incorporated into the final version of the Meeting Minutes. Commissioner Cline asked if there were any other comments. Hearing none, Commissioner Cline asked for a motion to approve the Meeting Minutes from the January 26 Management Committee. Mr. Beatty made a motion, and Commissioner Holland seconded the motion.. The motion was approved by unanimous Roll Call vote.

Commissioner Cline turned to the next item on the Agenda, an IIPRC operational update. Commissioner Cline turned to Ms. Schutter to provide the update.

Ms. Schutter stated that there have been 44 IIPRC registrations to date for the year and noted that this was a significant increase from the registrations received last year during that same time. Ms. Schutter stated that there were 16 filings submitted through the System for Electronic Rate and Form Filing (SERFF) since

January 1, 2009, and noted that this was an increase from the SERFF filings received last year. This concluded the operational update of the IIPRC.

Commissioner Cline asked if there were any questions regarding the operational update of the IIPRC. Hearing none, Commissioner Cline noted that the Management Committee and Commission meetings on March 14 will take place at the San Diego Convention Center. Commissioner Cline stated that the IIPRC Office would have teleconference capabilities established for those who are not able to travel and would like to participate. Commissioner Cline stated that there would be additional items forthcoming over the next few weeks in reference to this meeting.

Commissioner Cline asked for a motion to adjourn the Management Committee Meeting. Mr. Beatty made a motion, seconded by Ted Hamby, North Carolina, to adjourn the meeting. The meeting of the Management Committee was adjourned.