

**Minutes of the Meeting of the  
Interstate Insurance Product Regulation Commission (IIPRC)  
Saturday, March 14, 2009**

**Members of the Commission in Attendance:**

Commissioner Jane L. Cline, Chair, West Virginia  
Director Mary Jo Hudson, Vice Chair, Ohio  
Sue Ezalarab as a designated representative for Commissioner Sean Dilweg, Treasurer, Wisconsin  
Director Linda Hall, Alaska  
Peg Brown as a designated representative for Commissioner Marcy Morrison, Colorado  
Justin Durrance as a designated representative for Commissioner John Oxendine, Georgia  
Shelley Santo, Hawaii  
Carol Mihalik as a designated representative for Commissioner Jim Atterholt, Indiana  
Director William Deal, Idaho  
Commissioner Sandy Praeger, Kansas  
Commissioner Sharon Clark, Kentucky  
Commissioner James J. Donelon, Louisiana  
Commissioner Ralph Tyler, Maryland  
Robert Wake as a designated representative for Superintendent Mila Kofman, Maine  
Joseph Murphy as a designated representative for Commissioner Nonnie Burnes, Massachusetts  
Manny Munson-Regala as a designated representative for Commissioner Glenn Wilson, Minnesota  
Maureen Hartsmith as a designated representative for Commissioner Roger A. Sevigny, New Hampshire  
Louis Belo as a designated representative for Commissioner Wayne Goodwin, North Carolina  
Commissioner Kim Holland, Oklahoma  
Commissioner Joel Ario, Pennsylvania  
Beth Dwyer as a designated representative for Superintendent Joseph Torti, Rhode Island  
Commissioner Leslie Newman, Tennessee  
Ana Smith-Daley as a designated representative for Commissioner Mike Geeslin, Texas  
Commissioner Kent Michie, Utah  
Commissioner Paulette Thabault, Vermont  
Don Beatty as a designated representative for Commissioner Alfred W. Gross, Virginia  
Beth Berendt as a designated representative for Commissioner Mike Kreidler, Washington  
Commissioner Ken Vines, Wyoming

**State Regulators in Attendance:**

Ron Henderson, Louisiana  
Doug Brown, Mississippi  
Ted Hamby, North Carolina  
Neal Gooch, Utah  
Betsy Jerome, Utah

**Members of the Legislative Committee in Attendance:**

Representative Robert Damron, Chair, Kentucky  
Senator Ralph Hudgens, Vice Chair, Georgia  
Senator Delores Kelley, Maryland  
Senator Keith Faber, Ohio  
Representative Brian Patrick Kennedy, Rhode Island  
Susan Nolan, Executive Director NCOIL

**Members of the Consumer Advisory Committee in Attendance:**

T. Ryan Wilson, AARP

Brendan Bridgeland, Center for Insurance Research  
Ken Libertoff, Vermont Association for Mental Health

**Members of the Industry Advisory Committee in Attendance:**

Steve Buhr, AEGON  
Michael Lovendusky, ACLI  
Randi Reichel, AHIP  
Dennis Herchel, Massachusetts Mutual  
Tom English, New York Life  
Maureen Adolf, Prudential

**Interested Parties in Attendance:**

Cande Olson, Actuarial Resources on behalf of ACLI  
Miriam Krol, ACLI  
Carol Mayer, New York Life  
Joseph Muratore, New York Life

**IIPRC Staff in Attendance:**

Karen Schutter, Interim Executive Director  
Sara Dubsy, Operations Manager  
Charles Rapacciuolo, Development Consultant  
David Morris, Product Review Consultant  
Alice Fontaine, Actuarial Consultant

**NAIC Staff in Attendance:**

Kay Noonan, General Counsel  
Becky McElduff, Senior Counsel  
Julie Fritz, SERFF  
Amanda Yanek, Government Relations Policy Analyst  
Jolie Matthews, Senior Health Policy Advisor and Counsel

Commissioner Cline called the meeting of the Interstate Insurance Product Regulation Commission to order and asked for a roll call. Commissioner Cline explained that the IIPRC Bylaws require a roll call vote for the adoption of the Reports during a meeting in which members of the Commission are also participating via teleconference. Commissioner Cline asked Members of the Commission if there were any objections to conducting a voice vote instead of a roll call vote to adopt the reports during the Commission meeting. Hearing no objections, Commissioner Cline addressed the first item on the agenda, the Report of the Management Committee.

Commissioner Cline noted that the Management Committee had just met. Commissioner Cline reported that members of the Management Committee met with the Legislative Committee. Commissioner Cline stated that during this Report, it was noted that Mississippi will become the newest Compact Member, effective July 1. Commissioner Cline stated that outreach efforts to non-Compacting states were currently being pursued in hopes of more states joining the Compact. Commissioner Cline acknowledged the efforts from the Legislative Committee in reaching out to legislators in non-Compacting states.

Commissioner Cline stated that Commissioner Holland provided a Report of the Communications Committee in which it was explained that the Committee was going to develop a focus group to assist with the operational success of the IIPRC's product filing platform. Commissioner Cline stated that

Commissioner Holland encouraged Commission Members to outreach to their domestics and that Members may contact the IIPRC Office to schedule a webinar or to request assistance with an in-person meeting to provide outreach to their domestics on the benefits of filing with the Compact. Commissioner Cline stated that in the Report Commissioner Holland noted that there had been a tremendous increase in visitor traffic to the IIPRC web site.

Commissioner Cline stated that Mr. Murphy provided a Report of the Finance Committee which noted that amendments to the Interstate Insurance Product Regulation Commission (IIPRC) Terms and Procedures for IIPRC Filing Fees were noticed for public comment and were expected to be approved for adoption in April. Commissioner Cline explained that the first amendment would reduce the annual registration fee and the per product filing fee for regional insurers who file in five (5) or less states. Commissioner Cline noted that the second amendment would establish a filing fee for amendments made to product filings.

Commissioner Cline highlighted the Report of the Technology Committee. During the Report of the Technology Committee Commissioner Voss informed the Management Committee that the Technology Committee would meet soon to consider enhancements to the System for Electronic Rate and Form Filing (SERFF) in order to improve the ability for states to track "Mix and Match" product filings. Commissioner Cline stated that the goal for the approval of the recommendation for the SERFF enhancements would be discussed during a teleconference of the Management Committee in April.

Commissioner Cline explained that Commissioner Thabault provided the Report of the Rulemaking Committee. Commissioner Cline noted that drafts for amendments to the IIPRC Operating Procedure for the Filing and Approval of Product Filings with regard to "Mix and Match" provisions and to the Rule for Self-Certification were being considered. Commissioner Cline stated that the Report also noted that there would be a public teleconference held in April to receive comments on the proposed amendments which would remove the reference to the "Mix and Match" deadline associated with being able to offer or sell Compact-approved product components with state-approved product components.

Commissioner Cline noted that Ms. Smith-Daley provided a Report of the Product Standards Committee in which recommendations were made to expose the amendments to the Individual Immediate Non-Variable Annuity Contract Standards for public comment. Commissioner Cline explained that the amendments would clarify that the standards apply to annuity contracts used to fund structured settlements. Commissioner Cline stated that Ms. Smith-Daley also indicated the Committee recommended an approach for the development of Uniform Standards for long-term care rates, including both issue ages and modified attained age rate structures, which would allow Compact states to identify which structures were allowed in their respective states.

Commissioner Cline stated that the Management Committee approved the most recent set of Meeting Minutes of the Management Committee and noted that the recently adopted Meeting Minutes of the Management Committee from February 23, 2009 would be posted to the IIPRC web site.

Commissioner Cline noted that an operational update of the IIPRC was provided by Ms. Schutter during the meeting of the Management Committee. Commissioner Cline stated that during the update Ms. Schutter reviewed filing statistics of the IIPRC as of February 2009 in comparison to 2008 and 2007. Commissioner Cline stated that during the update, Ms. Schutter advised that a new reference tool, known as the IIPRC TOI Link, was incorporated into the IIPRC web site on the Industry Resources page as a useful tool for states and filers.

Commissioner Cline stated that the Search Committee provided a brief update on their efforts to fill the Executive Director vacancy and expected to start the interview process in April.

Commissioner Cline explained that the Fall Quarterly Meeting would be held on September 20 and expressed appreciation to Compact Members as well as to Committee members for their cooperation in maintaining this date in light of the Rosh Hashanah holiday.

Commissioner Cline asked if there were any questions regarding the Report of the Management Committee. Hearing none, Commissioner Cline asked if there was a motion to adopt the Report of the Management Committee. Commissioner Michie made the motion and Commissioner Donelon seconded. Commissioner Cline asked if there were any further discussions. Hearing none, the Report of the Management Committee was approved by a unanimous voice vote.

Commissioner Cline turned to the next item on the agenda, a Report of the Audit Committee. Commissioner Cline called on Commissioner Michie to provide the Report.

Commissioner Michie introduced Jeff Carlstedt, Certified Public Accountant with Mayer Hoffman McCann (MHM) as the auditor for the IIPRC. Commissioner Michie stated that the Audit Committee met via teleconference on March 3 to review the December 2008 and January 2009 financial statements as well as receive an overview of the process for meetings of the IIPRC with the audit firm. Commissioner Michie noted that copies of the annual audit statements, ending December 31, 2008, were provided to Compact Members prior to the Commission Meeting. Commissioner Michie stated that the IIPRC, both by year end of 2008 and in January 2009, came in under budget in both revenues and expenses. Commissioner Michie stated that IIPRC Management has advised the Audit Committee that they are closely monitoring the IIPRC budget projections for 2009 to ensure that expenses were being managed within actual revenue. Commissioner Michie reported that the 2008 Audit was completed in a timely manner and received an unqualified audit opinion from MHM. Commissioner Michie further stated that Mr. Carlstedt met with the Audit Committee prior to the Commission Meeting to present the results of the 2008 Audit Report. Commissioner Michie noted that a management discussion and analysis was part of the Audit Report as required under auditing standards issued under the American Institute of Certified Public Accountants (AICPA). Commissioner Michie stated that there were no inefficiencies with the Compact's internal control structure nor were there concerns with management. Commissioner Michie stated that the 2008 Audit Report would be made available to all Members as well as Legislators, Governors and interested parties on the IIPRC web site.

Commissioner Cline asked if there were any questions for Commissioner Michie or for Mr. Carlstedt regarding the Report of the Audit Committee. Hearing none, Commissioner Cline asked if there was a motion to adopt the Report of the Audit Committee. Commissioner Michie made a motion and Commissioner Donelon seconded the motion. Commissioner Cline asked if there were further discussion. Hearing none, the Report of the Audit Committee was approved by a unanimous voice vote.

Commissioner Cline turned to the next item on the agenda, the consideration for the adoption of Uniform Standards and one (1) amendment approved by the Management Committee on February 23, 2009. Commissioner Cline noted that the Uniform Standards to be considered for adoption are: the 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 Adjustable Life Insurance Policies; and the one (1) amendment was the Amendment to the Core Standards for Individual Deferred Variable Annuity Contracts.

Commissioner Cline asked for a motion to adopt the Uniform Standards and one (1) amendment approved by the Management Committee on February 23, 2009. Ms. Smith-Daley made a motion and

Commissioner Newman seconded the motion. The Uniform Standards and one (1) amendment were adopted by unanimous roll call vote.

Commissioner Cline turned to the next item on the agenda, the adoption of the December 4, 2008 Meeting Minutes of the Commission. Commissioner Cline noted that the Meeting Minutes were provided and distributed to Commission Members prior to the meeting. 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 additional edits to the Meeting Minutes. Hearing none, Commissioner Cline asked if there was a motion to adopt the Meeting Minutes. Mr. Beatty made a motion and Mr. Belo seconded the motion. Commissioner Cline asked if there were further discussion. Hearing none, the adoption of the Meeting Minutes from the December 4, 2008 meeting of the Commission were approved by a unanimous voice vote.

Commissioner Cline asked if there were any other matters to come before the Commission. Hearing none, Commissioner Cline asked if there was a motion to adjourn the meeting of the Commission. Mr. Beatty made the motion and Director Hudson seconded the motion. The meeting was adjourned by a unanimous voice vote.