



*States, Strength & Speed Aligned*

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

**Friday, December 4, 2009  
12:30pm PT / 1:30pm MT / 2:30pm CT / 3:30pm ET**

**AGENDA**

1. Roll Call
2. **Report of the Audit Committee and Consideration by the Commission to Adopt the Report of the Audit Committee**
3. **Report and Recommendation of the Finance Committee and Consideration by the Management Committee to Adopt the Recommendation and Report of the Finance Committee**
4. **Report of the Communications Committee and Consideration by the Management Committee to Adopt the Report of the Communications Committee**
5. **Report of the Technology Committee and Consideration by the Management Committee to Adopt the Report of the Technology Committee**
6. **Report and Recommendation of the Rulemaking Committee and Consideration by the Management Committee to Adopt the Report and Recommendation of the Rulemaking Committee**
7. **Report of the Product Standards Committee and Consideration by the Management Committee to Adopt the Report of the Product Standards Committee**
8. **Public Hearing on Uniform Standards Issued October 29, 2009**
9. **Management Committee Consideration of Approval of the Conforming Amendments to the Individual Annuity Application Standards**
10. **Update on Missouri's Opt-Out Process and Consider Extension of Missouri's Stay of the Effectiveness of the Market Value Adjustment on General Account Standard**
11. **Management Committee Consideration of Adoption of October 26 Management Committee Meeting Minutes**
12. **Commission Consideration of Adoption of September 18 Commission Meeting Minutes and September 21 Commission Meeting Minutes**

13. **Commission Consideration of the IIPRC Employee Handbook Approved by the Management Committee October 26, 2009**
14. **Discussion of Member Outreach to Companies**
15. **Non-Compacting State Update and Discussion of Possible Creation of Associate Membership**
16. **Operational Update**
17. Any Other Matters
18. Adjourn

**Minutes of the Joint Meeting of the Management Committee of  
The Interstate Insurance Product Regulation Commission (IIPRC) and the IIPRC  
Friday, December 4, 2009**

**Members of the Commission in attendance:**

Director Mary Jo Hudson, Chair, Ohio  
Commissioner Sean Dilweg, Vice Chair, Wisconsin  
Commissioner Paulette Thabault, Treasurer, Vermont  
Director Linda S. Hall, Alaska  
Peg Brown as a designated representative for Commissioner Marcy Morrison, Colorado  
Margaret Witten as a designated representative for Commissioner John W. Oxendine, Georgia  
Shelley Santo, Hawaii  
Director William W. Deal, Idaho  
Commissioner Susan M. Voss, Iowa  
Commissioner Sandy Praeger, Kansas  
Commissioner Sharon P. Clark, Kentucky  
Commissioner James J. Donelon, Louisiana  
Bob Wake as a designated representative for Superintendent Mila Kofman, Maine  
Bruce Ramage as a designated representative for Director Ann M. Frohman, Nebraska  
Barbara Peterson as a designated representative for Commissioner Roger A. Sevigny, New Hampshire  
Thomas Bowling as a designated representative for Superintendent Morris J. Chavez, New Mexico  
Superintendent Joseph Torti III, Rhode Island  
Director Scott Richardson, South Carolina  
Commissioner Leslie Newman, Tennessee  
Commissioner D. Kent Michie, Utah  
Don Beatty as a designated representative for Commissioner Alfred W. Gross, Virginia  
Commissioner Jane L. Cline, West Virginia  
Lori Mischan as a designated representative for Commissioner Ken Vines, Wyoming

**Members of the Management Committee in attendance:**

Commissioner Ralph S. Tyler III, Maryland  
Elizabeth Ditomassi as a designated representative for Commissioner Joe Murphy, Massachusetts  
Joan Moiles as a designated representative for Commissioner Kenneth Ross, Michigan  
Commissioner Glenn Wilson, Minnesota  
Commissioner Mike Chaney, Mississippi  
Director John M. Huff, Missouri  
Ted Hamby as a designated representative for Commissioner Wayne Goodwin, North Carolina  
Commissioner Kim Holland, Oklahoma  
Commissioner Joel Ario, Pennsylvania  
Sara Waitt as a designated representative for Commissioner Mike Geeslin, Texas  
Beth Berendt as a designated representative for Commissioner Mike Kreidler, Washington

**Regulator Staff in attendance:**

Ron Henderson, Louisiana  
Eric Cioppa, Maine  
Edward Charbonnier, Massachusetts  
Brian Pennington, Minnesota  
Emmanuel Munson-Regala, Minnesota  
Holly Blanchard, Nebraska  
Brad Harker, Pennsylvania  
Shawn Hawk, Tennessee  
Ana Smith-Daley, Texas

Jan Graeber, Texas  
Betsy Jerome, Utah  
Kevin Gaffney, Vermont

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

Representative Robert Damron, Chair, Kentucky  
Representative Brian Patrick Kennedy, Rhode Island  
Senator Keith Faber, Ohio  
Senator Delores Kelley, Maryland

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

Steve Buhr, AEGON/Transamerica  
Amanda Matthiesen, America's Health Insurance Plans (AHIP)  
Michael Lovendusky, American Council of Life Insurers  
Michael Gerber, National Association of Insurance and Financial Advisors (NAIFA)  
Tom English, New York Life  
Maureen Adolf, Prudential  
Mary Keim, State Farm Insurance Companies

**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

**Interested Parties in attendance:**

Bill Waldie, AEGON/Transamerica  
Cande Olson, American Council of Life Insurers (ACLI)  
Dave Sandberg, ALLIANZ  
Elaine Leighton, John Hancock

**Interested Regulators in attendance:**

Gail Karen, New York  
Joseph Muratore, New York Life  
Brian Staples, Life Insurance Settlement Association (LISA)

**IIPRC Team in attendance:**

Karen Schutter, Executive Director  
Karyn Onyeneho, Administrative Assistant  
Charles Rappacciuolo, Development Consultant  
David Morris, Product Review Consultant  
Alice Fontaine, Actuarial Consultant

Director Hudson called to order the joint meeting of the Management Committee of the Interstate Insurance Product Regulation Commission (IIPRC) and the IIPRC ("Commission"). Director Hudson asked for a roll call of Management Committee members as well as the members of the Commission, Legislative Committee, Consumer and Industry Advisory Committees.

Director Hudson proceeded to the first item on the agenda, a report of the Finance Committee. Ms. Ditomassi provided the report. Ms. Ditomassi stated that the Finance Committee held a member-only meeting on November 9 for the purpose of reviewing the IIPRC's third quarter financial performance and to consider a short-term pricing incentive for 2010. Ms. Ditomassi reported that IIPRC registration filings have increased by more than 100% and product filings by more than 50% to date compared to this same time last

year. Ms. Ditomassi further reported that IIPRC revenue and expenses were considerably under what was budgeted. Ms. Ditomassi informed that the Finance Committee worked with the IIPRC earlier in the year to review revised budget projections and stated that the IIPRC has managed projected expenses within revenue projected from registrations and filings—along with the existing 2009 Line of Credit from the NAIC. Ms. Ditomassi stated that the IIPRC will need an additional Line of Credit in the amount of \$850,000 based on the 2010 Adopted Budget. Ms. Ditomassi stated that the Finance Committee has been working with the IIPRC on long-term projections in determining how the IIPRC can generate sufficient revenue to cover its operating expenses as well as re-pay its loan obligations. Ms. Ditomassi indicated that it may require at least two (2) years for the IIPRC to be self-sufficient thus no longer requiring assistance from the NAIC. Ms. Ditomassi affirmed that the volume of registrations and filings received through the IIPRC overall demonstrate a good trend and that this movement will continue with the implementation of additional Uniform Standards and as more companies begin to utilize the IIPRC. Ms. Ditomassi made a recommendation to members of the Management Committee to institute a short-term pricing incentive which would encourage companies to register early with the IIPRC for 2010. The pricing incentive would allow companies to submit their IIPRC Annual Registration Fee on or before January 31, 2010 for a discount of \$500 off the Annual Registration Fee. Ms. Ditomassi noted that the Management Committee approved a short-term pricing incentive in 2008 for the purpose of encouraging companies to pay their registration fee early to account for the following year—which gave the IIPRC a jumpstart on its self-generating revenue for 2009 and allowed for a six (6) month postponement of the first draw of the Line of Credit. Ms. Ditomassi advised that the proposed pricing incentive for 2010 registrations is a more streamlined process and would likely increase the cost-benefit ratio of registering with the IIPRC. Ms. Ditomassi also reported that the Finance Committee held a public call on December 1 for the purpose of soliciting comments regarding the 2010 Annual Registration Fee pricing incentive.

Director Hudson asked if there were any questions regarding report of the Finance Committee.

Senator Kelley asked if the IIPRC has paid back what was borrowed in the past on its Lines of Credit.

Director Hudson informed that the IIPRC continues to make quarterly payments to the NAIC towards the Lines of Credit.

Representative Damron stated that the proposed 2010 pricing fee incentive is well intended and that he is hopeful that it will generate additional revenue for the IIPRC.

Senator Hudgens stated that the proposed pricing incentive will further incentivize the process of generating revenue to the IIPRC sooner and that once filings occur, this will be a direct benefit to Commission Member.

Director Hudson asked if there were any additional questions or comments. Hearing none, Director Hudson asked for a motion from members of the Management Committee to adopt the Finance Committee report and to approve the 2010 short-term pricing incentive. Commissioner Ario made a motion and Commissioner Holland seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson moved to the next item on the agenda, a report of the Audit Committee. Commissioner Donelon provided the report. Commissioner Donelon stated that the Audit Committee held a meeting on November 9 for the purpose of reviewing the IIPRC third quarter financial statements and 2009 budget projections. Commissioner Donelon reported that the Audit Committee continues to monitor the financial situation of the IIPRC from the perspective that the IIPRC will be able to cover its expenses with actual revenue and with the existing 2009 Line of Credit. Commissioner Donelon further reported that the IIPRC has been able to manage expenses within the confines of its self-generated funds, which he noted were below budget. Commissioner Donelon stated that during the meeting held in November of this year, the Committee reviewed an updated performance statement which illustrated internal projections of the IIPRC Office for the

next three (3) years based on continued growth and self-generated revenue and corresponding growth in its product operations. Commissioner Donelon stated that the Audit Committee revealed a request to the NAIC Internal Administration Sub-Committee for an additional \$850,000 Line of Credit based on the IIPRC's 2010 Adopted Budget. Commissioner Donelon stated that the Audit Committee expects the operating revenue of the IIPRC to grow significantly over the next three (3) years and that this will consequently allow the IIPRC to be sufficient in sustaining operating expenses and loan obligations. Commissioner Donelon reported that the Audit Committee held a member-only meeting immediately preceding this joint meeting for the purpose of consulting with Mayer Hoffman McCann P.C. (MHM), an independent certified public accounting firm, in preparation for the upcoming 2009 audit. Commissioner Donelon stated that for the third year, MHM has audited the IIPRC's record books and that this year, there were no significant reports revealed from the audit. Commissioner Donelon stated that the 2009 audited financial statements are expected to be ready and presented to the Commission in March 2010.

Director Hudson asked if there were any questions regarding the report of the Audit Committee. Hearing none, Director Hudson asked for a motion from members of the Commission to adopt the report of the Audit Committee. Commissioner Newman made a motion and Commissioner Torti seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson turned to the next item on the agenda, a report of the Communications Committee. Commissioner Holland provided a report. Commissioner Holland stated that the Communications Committee held a member-only meeting on November 13 for the purpose of reviewing an independent survey, completed by Milliman Incorporated, regarding the IIPRC as well as to receive an update on the efforts of the IIPRC Focus Group. Commissioner Holland reported that the survey, which was released in October this year, provided high marks from 61 insurance companies, 21 of whom utilize the IIPRC to file insurance products, in terms of the IIPRC's speed-to-market efficiencies, comprehensive Uniform Standards and professional staff. Commissioner Holland stated that the survey indicated that the top concern from companies who have not yet registered with the IIPRC was due to "mix and match" issues with regard to the two (2) year timeline formerly associated with the ability to combine Compact-approved product components with state-approved product components. Commissioner Holland stated that the IIPRC Focus Group serves as an important tool in gauging input from companies who are filing, as well as those not filing, with the IIPRC and insisted that their feedback is consistent with the survey report. Commissioner Holland stated that letters, addressed from Ms. Schutter, were distributed to members of the Commission, prior to this joint meeting, identifying which companies, in their respective states, have not yet filed with the IIPRC. Commissioner Holland encouraged Members to reach out to these companies in understanding the benefit of utilizing the IIPRC for their product filings.

Director Hudson asked if there were any questions regarding the report of the Communications Committee.

Commissioner Michie made a recommendation to the Communications Committee to consider creating an assumed name, or DBA, to bring a more favorable awareness to the IIPRC.

Commissioner Holland informed that the Communications Committee is working on this effort.

Director Hudson asked if there were any other questions or comments. Hearing none, Director Hudson asked for a motion from members of the Management Committee to adopt the report of the Communications Committee. Commissioner Dilweg made a motion and Commissioner Wilson seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson addressed the next item on the agenda, a report of the Technology Committee. Commissioner Voss provided the report. Commissioner Voss stated that the Technology Committee held a

member-only meeting on November 18 for the purpose of previewing the enhancements in the System for Electronic Rate and Form Filing (SERFF) which would enable filers to better track the ability to combine Compact-approved product components with state-approved product components, also known as “mix and match” product filings. Commissioner Voss informed that these enhancements would be available in the SERFF 5.8 Release which is scheduled to be in production by December 9. Commissioner Voss reported that the key concern with eliminating the two (2) year timeline associated with the “mix and match” process was due to the need for states to more easily and accurately track this process. Commissioner Voss informed that the Technology Committee recommended two (2) enhancements to SERFF, in considering this process, including adding a “mix and match” indicator which denotes the use of Compact-approved product components with state-approved product components; and converting the Statement of Intent into a field based submission requirement. Commissioner Voss reported that the IIPRC Office worked with the SERFF Team in sending a notice to filers informing them of the SERFF enhancements which elucidated the enhanced functionality in tracking, searching and reporting “mix and match” products.

Director Hudson asked if there were any questions regarding the report of the Technology Committee. Hearing none, Director Hudson asked for a motion from members of the Management Committee to adopt the report of the Technology Committee. Commissioner Dilweg made a motion and Commissioner Tyler seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson proceeded to the next item on the agenda, a report of the Rulemaking Committee. Commissioner Thabault provided the report. Commissioner Thabault reported that the Rulemaking Committee recommended the commencement of the rulemaking process for the proposed Rule for the Self-Certification of Product Components filed with the Interstate Insurance Product Regulation Commission (“Self-Certification Rule”). The Self-Certification Rule establishes eligibility requirements which allow filings that only contain product components that have been expressly authorized for self-certification by the applicable Uniform Standard as adopted by the Management Committee and Commission. The Self-Certification Rule also provides provisions for random auditing of self-certified filings; allows the IIPRC to take action for self-certified filings that do not comply with a Uniform Standard; and also allows for the suspension of self-certification for companies that make non-compliant filings that cause harm to consumers. Commissioner Thabault noted that the Rulemaking Committee held a public meeting on December 2 for the purpose of receiving comments on the Self-Certification Rule and to adopt a recommendation to the rule. Commissioner Thabault made a recommendation to members of the Management Committee to publish the proposed Self-Certification Rule for a 60-day notice and comment period.

Director Hudson asked if there were any questions regarding the report of the Rulemaking Committee. Hearing none, Director Hudson asked for a motion from members of the Management Committee to adopt the report of the Rulemaking Committee—which included a recommendation to publish the proposed Self-Certification Rule for a 60-day notice and comment period. Commissioner Kreidler made a motion and Commissioner Chaney seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson moved to the next item on the agenda, a report of the Product Standards Committee. Ms. Smith-Daley provided the report. Ms. Smith-Daley reported that there were no Uniform Standards ready for Management Committee action and that the Product Standards Committee would continue to work on the suite of Uniform Standards for individual long-term care insurance products with the objective of making a recommendation to the Management Committee in January 2010. Ms. Smith-Daley noted that the Committee has held three (3) public meetings to receive comments on the long-term care standards and stated that the Committee will meet on December 17 to receive any final comments. Ms. Smith-Daley advised that there will be a list of housekeeping work to consider upon the completion of the long-term care standards development process and noted that the Committee will be ready to review any standards as they emerge from the NAIC Working Groups.

Director Hudson asked if there were any questions regarding the report of the Product Standards Committee.

Representative Damron stated that he submitted a formal letter to members of the Commission which described his opposition regarding portions of the proposed Uniform Standards issued on October 29—which were the Additional Standards for Guaranteed Living Benefits for Individual Deferred Non-Variable Annuities; Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities; and Additional Standards for Guaranteed Minimum Death Benefits for Individual Deferred Variable Annuities.

Director Hudson informed that this matter would be discussed later in the agenda during the Public Hearing. Director Hudson asked if there were any other questions or comments. Hearing none, Director Hudson asked for a motion from members of the Commission to adopt the report of the Product Standards Committee. Ms. Smith-Daley made a motion and Commissioner Thabault seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson turned to the item on the agenda, a Public Hearing on the three (3) Uniform Standards issued on October 29. Director Hudson stated that these Uniform Standards are currently in a 60-day public comment period until December 28 and noted that comments that were submitted are available on the Rulemaking Docket of IIPRC web site. Director Hudson then asked for comments or questions from members of the Commission and Management Committee.

Ms. Smith-Daley commented that the development process of the three (3) aforementioned proposed Uniform Standards was a primary period as comments were received from various entities including the ACLI, who provided comments about the pricing impact of these products. Ms. Smith-Daley noted that comments about property rights of annuity owners and products that are being approved with termination provisions were also submitted. Ms. Smith-Daley stated that the Product Standards Committee determined that the proposed Uniform Standards were indeed appropriate after considering comments regarding cost implications and property rights, for example. Ms. Smith-Daley asked members of the Management Committee for a recommendation to adopt the proposed Uniform Standards.

Mr. Harker provided comment about termination provisions in stating that such provisions contained within the proposed Uniform Standards apply only to guaranteed minimum death benefits and guaranteed living benefits and do not apply to underlying annuity contracts. Mr. Harker further stated that the proposed standards raise the bar for consumer protection and extend beyond processes that many states follow today.

Representative Damron provided comment in recommending the elimination of restrictive language from the proposed Uniform Standards—as he stated that there is insufficient actuarial data and experience to support claims regarding pricing and that there is no significant interest from secondary markets on the purchase of annuities.

Senator Kelley agreed with comments made from Representative Damron.

Representative Kennedy commented that consumer rights are most important and that the proposed Uniform Standards allow for a major asset to products purchased by consumers.

Mr. Bridgeland agreed with the position of the Legislative Committee in stating that comments made by Representative Damron addressed an important issue.

Ms. Olsen commented that the proposed Uniform Standards provide minimum guarantees under specified conditions and that these products are in great demand and provide consumers the benefit of comfortable



growth from underlying annuities and minimum income guarantees. Ms. Olsen stated that the Industry Advisory Committee supports the adoption of the proposed standards as well as the guaranteed living benefit termination provisions that are currently drafted within these standards. Ms. Olsen indicated that termination provisions only apply to additional guaranteed benefits and not to underlying annuity contracts as it does not restrict the right of an owner to sell the underlying annuities.

Ms. Adolf supported comments provided by Ms. Olsen and stated that policy makers have recognized the loss of traditional pension benefits and that there is a critical gap in the retirement security of many Americans. Ms. Adolf offered what she considered a 21<sup>st</sup> century solution to this problem by stating that the proposed Uniform Standards provide consumers with the ability to receive monthly lifetime income.

Mr. Waldie stated that there have been various changes with annuity products that provide the ability for consumers to hoard money that would last through retirement and noted that the three (3) proposed Uniform Standards would provide consumers with guaranteed income and flexibility.

Ms. Leighton stated that John Hancock supports the three (3) proposed Uniform Standards and noted that these standards provide valuable protection to retirement income and additional protection to consumers.

Mr. Sandberg addressed concerns that were raised about pricing issues in stating that consumers are not buying assets traditionally, rather as a promise for lifetime income—purchasing securities and insurance, for example, against outliving their income. Mr. Sandberg commented that the proposed Uniform Standards constitute products that do not depend on inappropriate pricing and that it weighs on the reality that when an option is granted there is a cost that has to be paid.

Mr. Naples stated that the proposed Uniform Standards provide for products that are in great demand and that are being purchased by consumers. Conversely, Mr. Naples expressed concern about the possibility that such products may not meet the needs or expectations of consumers—which he stated that guaranteed living benefits and guaranteed minimum death benefits establish true market economic value. Ms. Naples also stated that termination provisions contained within these products will result in limited options— or the forfeiture of these products by consumers without the opportunity to seek true economic value. Mr. Naples advised that pricing mechanisms are uncertain because the industry suggests that there are more restrictive termination provisions in every product being filed in the states— which is placing consumers in potential harm.

Director Hudson asked if there were any other comments. There were none. Director Hudson informed that the deadline to submit comments on the proposed Uniform Standards is December 9.

Director Hudson addressed the next item on the agenda, the adoption of the Conforming Amendments to the Individual Annuity Applications Standards. Director Hudson asked for a motion from members of the Management Committee to adopt this particular Uniform Standard. Commissioner Tyler made a motion and Ms. Waitt seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson addressed the next item on the agenda, an update on Missouri's opt-out process and the consideration to extend Missouri's stay of the effectiveness of the Additional Standards for Market Value Adjustment Feature Provided through the General Account ("General Account MVA Standard"). Director Hudson stated that Missouri's request to stay the effectiveness of this particular Uniform Standard was approved by the Commission in September for the purpose of allowing Missouri the due diligence of understanding its impact on Missouri consumers. Director Hudson called on Director Huff to provide an update on this process.

Director Huff reported that Missouri would not request an extension on the stay of the effectiveness for the General Account MVA Standard and noted that Missouri's initial decision to stay was based on the examination of consumer protections. Director Huff stated that Missouri received valuable input from a variety of Commission Members and Regulators which was conducive in determining Missouri's assessment that the General Account MVA Standard provides valuable protection to consumers.

Director Hudson proceeded to the next item on the agenda, the adoption of the October 26 Management Committee Meeting Minutes. Director Hudson noted that edits were received from Virginia and incorporated into the meeting minutes and asked if there were further edits. There were no additional edits. Director Hudson asked for a motion from members of the Commission to adopt the meeting minutes. Commissioner Holland made a motion and Commissioner Dilweg seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson then moved to the next item on the agenda, the adoption of the September 18 and September 21 Commission Meeting Minutes. Director Hudson noted that edits were received from Virginia and incorporated into the meeting minutes and asked if there were further edits. There were no additional edits. Director Hudson asked for a motion from members of the Commission to adopt the meeting minutes. Commissioner Cline made a motion and Commissioner Thabault seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson turned to the next item on the agenda, the adoption of the IIPRC Employee Handbook. Director Hudson stated that the Management Committee approved the handbook on October 26 and noted that there were clean-up issues to address thereafter in ensuring that the Employee Handbook was in proper order. Director Hudson asked for a motion from members of the Commission to adopt the handbook. Commissioner Holland made a motion and Commissioner Clark seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson discussed outreach efforts in communicating with domestic insurance carriers within Compacting states. Director Hudson stated that the IIPRC Office compiled a list of domestic carriers that have not registered and/or filed with the IIPRC and encouraged Commission Members to reach out to domestic companies in their respective state in providing valuable information about the benefits of joining the Commission.

Director Hudson addressed the next item on the agenda, an update on non-Compacting states and recommendation to establish an Associate Membership. Commissioner Dilweg provided the report. Commissioner Dilweg stated that legislation sometimes gives reason to the issues that surround states from joining the Commission. Commissioner Dilweg stated that an Associate Membership may yield the examination on this issue. Commissioner Dilweg then asked for a motion from members of the Commission to approve an Exploratory Committee that would examine the establishment of an Associate Membership with the intention to provide an update on this effort during the Spring Meeting next year. Commissioner Thabault made a motion and Commissioner Chaney seconded the motion. Director Hudson asked if there were further discussion. Hearing none, a voice vote was taken and the motion passed unanimously.

Director Hudson proceeded to the next item on the agenda, an operational update of the IIPRC. Ms. Schutter provided the report. Ms. Schutter stated that IIPRC company registrations have increasingly grown this year—just two companies shy of doubling the total number of companies that registered with the IIPRC in all of last year. Ms. Schutter further stated that product filing statistics have also increased significantly in 2009 to an amount which is more than twice the amount of filings submitted in 2008. Ms. Schutter stated

that the IIPRC Product Review Team has maintained an average product review approval time of under 20 days. Ms. Schutter advised that the IIPRC Office is now accepting 2010 Annual Registration Fees and noted that a notice on the 2010 pricing incentive will be distributed. Ms. Schutter stated that a notice regarding the new SERFF enhancements will also be distributed and noted that information regarding Missouri's decision to stay the effectiveness of the General Account MVA Standard will be available on the IIPRC web site.

Director Hudson asked if there were any questions regarding the IIPRC update. There were none. Director Hudson asked if there were any other matters to be discussed. Hearing none, Director Hudson asked for a motion to adjourn the joint meeting of the Management Committee and Commission. Mr. Beatty made a motion and Commissioner Dilweg seconded the motion. The meeting was adjourned by a unanimous voice vote.