

INTERSTATE INSURANCE  
PRODUCT REGULATION COMMISSION



*States, Strength & Speed Aligned*

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

**Monday, July 22, 2013  
1:30pm ET / 12:30pm CT / 11:30am MT / 10:30am PT**

1. Roll Call
2. [Public Hearing on the Uniform Standards Issued on April 12, 2013 and May 23, 2013:](#)
  - Group Term Life Insurance Uniform Standards for Accelerated Death Benefits; and
  - Additional Standards for Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities Benefits
3. [Report of Product Standards Committee and Consider Adoption of Product Standards Committee Report](#)
4. [Report of Rulemaking Committee and Consider Adoption of Rulemaking Committee Report](#)
5. [Management Committee Consideration of Approval of Meeting Minutes from the May 20 joint teleconference of the Management Committee and Commission](#)
6. [Operational Update](#)
7. Any Other Matters
8. Adjourn

**Minutes of the Management Committee of the Interstate Insurance Product Regulation  
Commission  
Monday, July 22, 2013**

**Members of the Commission and Department Staff in Attendance (Management Committee members are bolded below):**

**Commissioner Joseph Murphy, Treasurer, Massachusetts**

**Peter Camacci, as a designated representative for Commissioner Consedine, Vice Chair,  
Pennsylvania**

Robert Turner, Alabama

Michele Nishimoto-Suza, Hawaii

Donna Daniel, Idaho

John Keenan, Idaho

**Cindy Colonius, as a designated representative for Director Andrew Boron, Illinois**

Mihir Nag, Indiana

Jason Lapham, Kansas

Commissioner Sandy Praeger, Kansas

Barry Ward, Louisiana

Ed Charbonnier, Massachusetts

**Joseph Garcia, as a designated representative for Commissioner R. Kevin Clinton, Michigan**

Jay Eads, Mississippi

**Matt Barton, as a designated representative for Director John Huff, Missouri**

Mary Kempker, Missouri

Tiffany Caverhill, Montana

**Director Bruce Ramge, Nebraska**

**Felix Schirripa, as a designated representative for acting Commissioner Kenneth Kobylowski, New  
Jersey**

Vlara Ianakieva, New Mexico

Ted Hamby, North Carolina

**Peter Weber, as a designated representative for Lieutenant Governor and Director Mary Taylor,  
Ohio**

Denise Engle, Oklahoma

Verneta Pavel, Oklahoma

**Commissioner Laura Cali, Oregon**

Janice Hart, Oregon

Beth Dwyer, Rhode Island

Jon Carter, Texas

Angela Raab Melina, Texas

**Sara Waitt, as a designated representative for Commissioner Julie Rathgeber, Texas**

Commissioner Todd Kiser, Utah

Don Beatty, Virginia

Alan Hudina, Washington

Barbara Hudson, West Virginia

**Sue Ezalarab, as a designated representative for Commissioner Ted Nickel, Wisconsin**

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

State Representative Robert Hackett, Ohio

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

Jason Berkowitz, IRI  
Mary Keim, State Farm Insurance  
Miriam Krol, American Council of Life Insurers  
Amanda Matthiesen, America's Health Insurance Plans  
Joe Muratore, New York Life Insurance Company  
Marie Roche, John Hancock Life Insurance Company

**Interested Parties in attendance:**

Sheila Kenny, MetLife  
Beth Lindsay, ING  
Scott Zweig, the Phoenix Companies

**IIPRC staff in attendance:**

Karen Schutter, Executive Director  
Sara Dubsy, Operations Manager  
MacKenzie Heidelmark, Administrative Coordinator  
Jeanne Daharsh, Actuarial Consultant  
Alice Fontaine, Actuarial Consultant  
Karen Givens, Product Review Consultant  
David Morris, Product Review Consultant  
Maureen Perry, Product Review Consultant

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Commissioner Murphy called to order the Meeting of the Management Committee of the Interstate Insurance Product Regulation Commission ("IIPRC"). Ms. Schutter took the roll call of the Management Committee, Commission, members of the Legislative Committee, members of the Industry Advisory, and members of the Consumer Advisory Committee, and other Interested Parties.

Commissioner Murphy opened the public hearing on the uniform standards issued on April 12, 2013 and May 23, 2013. The Group Term Life Insurance Uniform Standards for Accelerated Death Benefits was issued for notice and comment on April 12th. This uniform standard along with any written comments received to date are located on the Docket section of the IIPRC website. The next uniform standard is the Additional Standards for Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities which was issued for notice and comment on May 23rd. Commissioner Murphy then called on Ms. Ezalarab, who gave a brief overview of these two uniform standards.

Commissioner Murphy proceeded to receive comments on the Group Accelerated Death Benefit Standard first. Commissioner Murphy asked the Idaho Department of Insurance if there were any comments in addition to the written comments the Department submitted. Idaho did not have any further comments. Ms. Krol noted that the Industry Advisory Committee provided comments on July 8 in response to Idaho's comments. Ms. Krol asked if Idaho had any response to their comments; the Idaho Department did not at this time. Ms. Krol then further explained the comments submitted. There were no further comments on the Accelerated Death Benefit Standards.

Commissioner Murphy proceeded to the Guaranteed Minimum Death Benefit Standard. As written technical comments were submitted by the Ohio Department of Insurance, Commissioner Murphy asked if the Department had any further comments. Mr. Wade clarified his comments, stating that if bonuses are excluded in number one, then bonuses should be excluded in number two in order to be consistent. Hearing no further comments, the public hearing portion of the meeting concluded. Commissioner Murphy asked Ms. Schutter to work with Ms. Ezalarab and the Product Standards Committee to review the comments submitted and to provide a recommendation to the Management Committee on whether

further changes should be made to the draft uniform standards. Ideally, the goal is to be able to take action on these uniform standards at the August in-person meeting. As there were no further comments or questions, Commissioner Murphy advanced to the next item of the agenda.

Commissioner Murphy asked Ms. Ezalarab to provide the Report of Product Standards Committee, and she reported that the Product Standards Committee is not recommending any new uniform standards to the Management Committee today. The Committee is currently working on the 5-year review of Uniform Standards, which encompasses all of the major types of individual life insurance and several benefit features. The IIPRC Office has completed a tremendous amount of work in organizing the public comments and generating clarification questions based on product review experience. The Product Standards Committee is now working through the IIPRC Office's proposed Report and Recommendation, which is organized into three categories: substantive change items, clarification items, and technical items. Ms. Ezalarab noted that the changes being discussed will increase efficiency of form review and approval by addressing some frequently-asked questions that consistently arise in the filing process. The Product Standards Committee plans to receive public comments on the IIPRC's Report and Recommendation before forwarding the report to the Management Committee later this year. There were no questions for Ms. Ezalarab.

Commissioner Murphy advanced to the Report and Recommendation of the Rulemaking Committee which was provided by Mr. Beatty. Mr. Beatty reported that the Rulemaking Committee is working on two projects and has broken into subgroups to take a closer look at these issues and report back to the full Committee with their thoughts and recommendations. The projects include taking a closer look at how mix and match is being utilized and the applicability of certain state laws that could affect the content of Compact-approved products. The subgroup that is looking at mix and match has made substantial progress and is close to reporting back to the full Rulemaking Committee. The subgroup on the applicability of certain state laws is not as far along but has already developed good examples of where the intersection between state law and the Uniform Standards may need to be further clarified, whether through a formal rule or informal guidance. Public meetings will be held to receive input from interested parties before presenting the final recommendation to the Management Committee. There were no comments for Mr. Beatty.

Commissioner Murphy then asked for a motion from a member of the Management Committee to adopt the Reports of the Product Standards Committee and the Rulemaking Committee. Mr. Camacci made a motion while Mr. Schirippa seconded the motion. As there were no objections, a voice vote rather than a roll call vote was held as no recommendations were being adopted. The motion was then carried.

Commissioner Murphy continued to the next agenda item, the approval of meeting minutes. Director Rame made a motion to approve the meeting minutes of the May 20th joint conference call of the Management Committee and Commission, while Mr. Garcia seconded the motion. As this was a ministerial matter, a voice vote was taken and the motion was approved.

Commissioner Murphy proceeded to the IIPRC Operational Update, which was provided by Ms. Schutter. Ms. Schutter reported that through the end of June the IIPRC actual revenues are 100% of budgeted revenues, and actual expenses are running 9% under budget. Ms. Schutter noted that 163 companies have registered to date, which is close to the total number of 167 companies that registered in all of 2012. These companies represent 75% of the asset based premium volume, and 15% are new companies, resulting in an 85% retention rate. As of July 1, the IIPRC registration fee is prorated so it is 50% off the regular registration fee, allowing companies to register and file for the remainder of the year.

Ms. Schutter noted that the Compact continues to work with its two newest states-Arkansas and Montana. The Compact will be able to accept product filings for Arkansas on August 29<sup>th</sup> and will be able to accept

life and annuity filings for Montana on and after October 15<sup>th</sup>. In June, Florida enacted a non-standard version of the Compact that will become effective July 2014. Florida is currently conducting a comparative analysis between the Uniform Standards and Florida law. The Florida Office has the understanding that further legislative changes may be needed before Florida can fully participate in the Compact. As for outreach, the Compact recently held a second Roundtable. The purpose of the roundtables is to have a dialogue between Compact Commissioners and company representatives regarding feedback and perceptions about the Compact. The first Roundtable was so productive that the Compact leveraged an opportunity to conduct another one in June in conjunction with the Illinois Life Insurance Council Annual Meeting in Lake Geneva, Wisconsin. The event was quite successful, as there were 35 industry participants representing 18 companies. Ms. Schutter announced the in-person meeting will be held on the Friday before the official start of the NAIC meeting, on August 23, at 11:30am ET. There were no questions or comments for Ms. Schutter.

Hearing no other matters, Mr. Camacci made a motion to adjourn and Director Ramge seconded the motion.