

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 28th, 2014

1:30pm ET / 12:30pm CT / 11:30am MT / 10:30am PT

CHORUS CALL DIAL-IN: 1-866-332-4905

Ask for “IIPRC Management Committee Meeting”

1. [Roll Call](#)
2. [Public Hearing on the Uniform Standards subject to Phase 1 of the 5-Year Review](#)
3. [Report of the Communications Committee and Consider Adoption of the Report of the Communications Committee](#)
4. [Report of the Finance Committee and Consider Adoption of the Report of the Finance Committee](#)
5. [Report of the Product Standards Committee and Consider Adoption of the Report of the Product Standards Committee](#)
6. [Report of the Technology Committee and Consider Adoption of the Report of the Technology Committee](#)
7. [Regulatory Counsel Committee Update](#)
8. [Management Committee Consideration of Approval of Meeting Minutes from the April 28th Meeting of the Management Committee](#)
9. [Management Committee Consideration of Approval of Meeting Minutes from the June 30th Meeting of the Management Committee](#)
10. [Operational Update](#)
11. Any Other Matters
12. Adjourn

**Minutes of the Meeting of the Management Committee of the Interstate Insurance Product
Regulation Commission
Monday, July 28, 2014**

Members of the Commission and Department Staff in Attendance:

Commissioner Joseph G. Murphy, Treasurer, Massachusetts
Marty Hester, Alaska
Darren Ellingson, Arizona
Martha Im, Hawaii
Donna Daniel, Idaho
Kathy McGill, Idaho
Cindy Colonius as a designated representative for Director Andrew Boron, Illinois
Amy Beard as a designated representative for Commissioner Stephen Robertson, Indiana
Mihir Nag, Indiana
Barry Ward, Louisiana
Commissioner Therese Goldsmith, Maryland
Edward Charbonnier, Massachusetts
Joe Garcia as a designated representative for Director Ann Flood, Michigan
Jay Eads, Mississippi
Mary Mealer, Missouri
Rosann Grandy, Montana
Stephen King, Nebraska
Director Bruce Ramage, Nebraska
Commissioner Scott Kipper, Nevada
Terry Seaton New Mexico
Rebecca Hill, North Carolina
Peter Weber as a designated representative for Lieutenant Governor and Director Mary Taylor, Ohio
Dave Bolton, Oregon
Rhonda Saunders-Ricks as a designated representative for Commissioner Laura Cali, Oregon
Peter Camacci, Pennsylvania
Beth Dwyer, Rhode Island
Sara Waitt as a designated representative for Commissioner Julia Rathgeber, Texas
Betsy Jerome, Utah
Don Beatty, Virginia
Sue Ezalarab as a designated representative for Commissioner Ted Nickel, Wisconsin

Interested Regulators in attendance:

Steven Hogg, Florida
Rich Robleto, Florida

Members of the Industry Advisory Committee in attendance:

Miriam Krol, American Council of Life Insurers (ACLI)
Amanda Matthiesen, America's Health Insurance Plans (AHIP)
Joe Muratore, New York Life Insurance Company
Marie Roche, John Hancock Life Insurance Company (U.S.A.)

Members of the IIPRC Legislative Committee in attendance:

Senator Delores Kelley, Maryland

Interested Parties in attendance:

Hugh Barrett, Massachusetts Mutual Life Insurance Company
Beth Lindsey, ING
Susan Vinson, Colonial Life & Accident Insurance Company

IIPRC staff in attendance:

Becky McElduff, Assistant Director of Product Operations and Counsel
Sara Dubsky, Senior Operations Manager
MacKenzie Heidelmark, Administrative Coordinator
Jeanne Daharsh, Actuarial Consultant
Karen Givens, Product Review Consultant
Alice Fontaine, Actuarial Consultant

NAIC staff in attendance:

Kara Binderup, NAIC Senior Counsel

Commissioner Murphy called to order the Meeting of the Management Committee of the Interstate Insurance Product Regulation Commission (Commission). Ms. McElduff took the roll call of the Management Committee, Commission, members of the Legislative Committee, and members of the Industry Advisory and the Consumer Advisory Committees. Commissioner Murphy noted that as provided in the Bylaws, when one or more member participates by telephone, a roll call vote upon each action item is to be taken.

Commissioner Murphy began with the public hearing regarding proposed amendments resulting from the 5-year review process to Uniform Standards that were first adopted in 2007 and were subject to the first phase of the mandatory 5-Year Review. Commissioner Murphy explained that the IIPRC Office presented a detailed report and recommendation to the Product Standards Committee in August 2013 based on the submitted comments and suggested changes. Ms. Ezalarab provided a brief overview of the process followed in developing and vetting these amendments. Commissioner Murphy noted that comments were submitted on these proposed amendments by Member States, the members of the Consumer Advisory and the Industry Advisory Committees. As there were no questions for Ms. Ezalarab, Commissioner Murphy opened the public hearing to receive comments on the proposed amendments; there were none. Commissioner Murphy concluded the public hearing portion of the meeting.

Commissioner Murphy advanced to the report of the Communications Committee. Commissioner Kipper provided the report, and noted that the Committee last met in a Regulator-only session in early June. The purpose of that call was to receive updates regarding outreach that had been conducted by members of the IIPRC Team as well as upcoming outreach events. Members of the IIPRC Team participated in multiple AICP Chapter E-day events and provided an update on the IIPRC activities during other organizations' events. The IIPRC Team has continued to publish articles in the AICP Journal and in the SERFF Insider. The Committee also heard from the IIPRC Office that the Weekly Tips are still being issued to Company Filers as well as continuous updates to the website to make it more user friendly and efficient. It is anticipated that later this year that the IIPRC

will be launching a profile on both Facebook and Linked-In. Commissioner Kipper noted that the IIPRC Office will initiate a multi-week webinar series beginning in September. There were no questions for Commissioner Kipper. Commissioner Murphy suggested waiting to approve the Reports of the Communications, Finance, Product Standards, and Technology Committees and have one motion after the Technology Committee has concluded its report. There were no objections to this suggestion.

Commissioner Murphy moved to the report of the Finance Committee and noted that the Compact is continuing its strong start by meeting and exceeding its budgeted revenues for the first and second quarters. Revenues through the end of June are roughly 1% over budget for the year-to-date; and are approximately 14% higher than revenues through the end of last June. The Compact has earned more than \$130,000 year-to-date in 2014 compared to 2013. Operating expenses continue to run under budget by approximately 11% due to the timing of certain expenses. There were no comments or questions for Commissioner Murphy.

Ms. Ezalarab gave the report of the Product Standards Committee and announced that the Committee issued an Advanced Rulemaking Notice for a Request for Comments on the Framework for Uniform Standards on Group Disability Income Products on April 28 and accepted comments for a 60 day period. The Committee also started preliminary discussions regarding a recommendation from the IIPRC Office to update the Mix-and-Match provision in the Standards for Individual Disability Income Policies to include disability income riders to be used with life or annuity products. The Product Standards Committee has been devoting its recent meetings to preparing recommendations for the next three phases of the 5-Year Review process - Phases 2, 3, and 4. On June 18, the IIPRC Office presented a report and recommendation to the Product Standards Committee for all three of these phases with a detailed description of the submitted comments and suggested changes as well as changes or amendments proposed by the IIPRC Office as a result of applying the Uniform Standards. The Product Standards Committee plans to complete its recommendations for Phases 2, 3 and 4 of the 5-Year review to present to the Management Committee at its August 15th meeting. There were no questions or comments for Ms. Ezalarab.

Commissioner Murphy proceeded to the next item on the Agenda and asked Ms. Ezalarab to present the report of the Technology Committee, which met to continue discussions with the IIPRC Office and SERFF Team regarding the web-based public access portal as well as other possible enhancements for SERFF related to the Compact. The IIPRC Office will be drafting and publishing detailed instructions as to how to use the web-based public access portal once it is available and will offer webinars on this topic. Potential enhancements to the Search Features for member states were also discussed. In the next release of updates to SERFF, a new enhancement will be available for company filers to associate Compact filings with previously-approved Compact filings. There were no questions for Ms. Ezalarab. Commissioner Goldsmith made a motion to approve the reports of the Communications, Finance, Product Standards, and Technology Committees; and Mr. Camacci seconded the motion. The motion passed.

The report of the Regulatory Counsel Committee was given by Mr. Beatty. Mr. Beatty explained the Regulatory Counsel Committee was created by the Management Committee last month for the purpose of working with the Executive Director, the NAIC Legal Division, and outside counsel to provide guidance and recommendations to the Commission in responding to Florida's Compact law, which became effective on July 1. Florida's Compact law includes not only

additional terms and conditions throughout the Model Compact but also new sections. The Committee has held three calls to date, and concurred with the recommendation to retain Tom Bond of the Greenberg Triarig law firm in Austin, Texas. The Committee is preparing a report to the Commission and will receive public comments before formally presenting its recommendation to the Commission on August 15th. There were no questions or comments for Mr. Beatty.

Commissioner Murphy asked for a motion from a member of the Management Committee to approve the April 28th Management Committee Meeting Minutes. Mr. Camacci made a motion, and Director Ramge seconded the motion. The motion passed.

Commissioner Murphy asked for a motion from a member of the Management Committee to approve the June 30th Management Committee Meeting Minutes. Commissioner Goldsmith made a motion, and Mr. Garcia seconded the motion. The motion passed.

As the final agenda item, Ms. McElduff provided the Operational Update. Ms. McElduff announced that Arizona is an official member of the Compact, and explained that product filings that include Arizona can be accepted on Thursday, August 7th. Filers will be able to add Arizona to new or previously-approved Compact filings other than long-term care products as Arizona opted out of long-term care in the legislation. A joint meeting of the Management Committee and Commission will be held on Friday, August 15th in Louisville, KY. The first agenda item for this meeting will be to discuss and take action on the Report and Recommendation of the Regulatory Counsel Committee with respect to responding to Florida's modifications in their Compact law. If there is any unfinished business at the in-person meeting, a follow-up conference call of the Management Committee and Commission has been scheduled for August 25th. As of July 1st, the annual registration fee for filers is prorated which means companies can register to file at 50% of the full-year registration. The associated filings SERFF enhancement described by Ms. Ezalarab is the first of several that will simplify accessing information in Compact filings for member states and filers. As there were no questions for Ms. McElduff, the meeting was adjourned.