



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

**Monday, October 26th, 2015
1:30 pm ET / 12:30 pm CT / 11:30 am MT / 10:30 am PT**

1. [Roll Call](#)
2. [Report and Recommendation of the Finance Committee and Consideration by the Management Committee to Approve the Report and Recommendation of the Finance Committee](#)
3. [Report of the Product Standards Committee and Consideration by the Management Committee to Approve the Report of the Product Standards Committee](#)
4. [Report of the Rulemaking Committee and Consideration by the Management Committee to Approve the Report of the Rulemaking Committee](#)
5. [Operational Update](#)
6. Any Other Matters
7. Adjourn

**Minutes of the Meeting of the Management Committee of the Interstate Insurance Product Regulation
Commission
Monday, October 26, 2015**

Members of the Commission and Department Staff in Attendance:

Commissioner Jacqueline Cunningham, Vice Chair, Virginia
Ruben Gely as a designated representative for Commissioner Angela Weyne, Treasurer, Puerto Rico
Steve Ostlund, Alabama
Sarah Bailey, Alaska
William Lacy, Arkansas
Cindy Colonius as a designated representative for Acting Director Anne Melissa Dowling, Illinois
Mihir Nag, Indiana
Julie Holmes, Kansas
Jason Lapham, Kansas
Barry Ward, Louisiana
Commissioner Jim Donelon, Louisiana
Director Bruce Ramge, Nebraska
Commissioner Roger Sevigny, New Hampshire
Joseph Garcia as a designated representative for Director Patrick McPharlin, Michigan
Tammy Lohmann as a designated representative for Commissioner Mike Rothman, Minnesota
Jay Eads, Mississippi
Bob Williams, Mississippi
Mary Mealer as a designated representative for Director John Huff, Missouri
Felix Schirripa as a designated representative for Acting Commissioner Richard J. Badolato, New Jersey
Terry Seaton, New Mexico
Ted Hamby, North Carolina
Peter Weber as a designated representative for Director Mary Taylor, Ohio
Cuc Nguyen, Oklahoma
Joel Sander as a designated representative for Commissioner John Doak, Oklahoma
Eric Cutler as a designated representative for Commissioner Laura Cali, Oregon
Johann Fabian-Marks as a designated representative for Commissioner Teresa D. Miller, Pennsylvania
Elizabeth Dwyer, Rhode Island
Tina Brown, South Carolina
Jan Graeber as a designated representative for Commissioner David Mattax, Texas
Betsy Jerome, Utah
Barbara Prentice, Vermont
Kaj Samsom, Vermont
Alan Hudina, Washington
Susan Ezalarab, Wisconsin

Members of the Consumer Advisory Committee in attendance:

Sonja Larkin-Thorne, NAIC Funded Consumer Representative

Members of the Industry Advisory Committee in attendance:

Hugh Barrett, MassMutual Financial Group
Miriam Krol, American Council of Life Insurers
Amanda Matthiesen, Association of Health Insurance Plans

Members of the IIPRC Legislative Committee in attendance:

Senator Jason Rapert, Arkansas

Interested Parties in attendance:

Melissa Clines, Nationwide
Shirley Grossman, Lincoln Heritage Life Insurance Company
Beth Lindsey, Voya Financial
Lisa Richards, Symetra Life Insurance
Marie Roche, John Hancock

IIPRC staff in attendance:

Karen Schutter, Executive Director
Sara Dubsy, Senior Operations Manager
Mindy Bradford, Product Reviewer
Jeanne Daharsh, Actuarial Consultant
Karen Givens, Product Review Consultant
Becky McElduff, Assistant Director
Anne Marie Narcini, Regulatory Consultant
Maureen Perry, Product Review Consultant

Commissioner Cunningham called to order the Meeting of the Management Committee of the Interstate Insurance Product Regulation Commission (Commission). Ms. Schutter 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 Cunningham 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 Cunningham proceeded to give the Report of the Finance Committee and noted that the Committee had a recommendation. Commissioner Cunningham explained that the Committee met recently to review the current financials as well as to review the draft budget and resource recommendation. Commissioner Cunningham reported that the IIPRC has earned \$1,312,042 year-to-date and operating expenses continue to run under budget by approximately 9%. Commissioner Cunningham presented the two recommendations – the draft 2016 annual budget and a recommendation regarding additional resources. Commissioner Cunningham noted that the budgeted revenue for 2016 is \$2,020,000 and the budgeted expenses are \$2,124,753. Commissioner Cunningham reviewed the resource recommendation noting that the recommendation includes a reallocation of current product operation resources from the Professional Services budget line to salaries/taxes/benefits as well as a request for a new part-time Administrative Assistant. The IIPRC Office is seeking to continue the conversion of product operations resources from primarily consultants to primarily employee-based. This recommendation necessitates an additional \$80,000 to be incurred in the 2016 budgeted expenses. Commissioner Cunningham stated that additional comments regarding the draft 2016 annual budget and the resource recommendation can be made during the public hearing which is scheduled to take place on November 18th during the in-person Annual Meeting before final action is taken. Commissioner Cunningham concluded the report and there were no comments or questions.

Commissioner Cunningham advanced to the Report of the Product Standards Committee, which was presented by Mr. Lapham. Mr. Lapham explained that the Product Standards Committee has been working on the recommendation regarding Phase 5 of the 5-year review. Mr. Lapham reported that two items from the IIPRC Office report and recommendation to the Product Standards Committee have been referred to the Actuarial Working Group for consideration and their recommendation. Mr. Lapham stated that the Product Standards Committee anticipates that their review of Phase 5 of the 5-year review

will be completed with a final recommendation to the Management Committee before the end of the year. Mr. Lapham reminded all participating that the public comment period regarding the group disability income uniform standards expires on Tuesday, October 27th. Mr. Lapham noted that the Product Standards Committee will review those comments received to provide feedback to the Management Committee. Mr. Lapham concluded the Report and there were no comments or questions.

The next item on the agenda was the Report of the Rulemaking Committee, which was presented by Mr. Beatty. Mr. Beatty announced that the Rulemaking Committee recently held a regulator-only conference call to discuss results from the survey issued regarding the mix and match process. Mr. Beatty reported that based on the results received from the 38 jurisdictions, most states are asking companies to provide additional information regarding the Compact forms if the state filing will be used in a mix and match format. Mr. Beatty noted that there have been specific instances of regulatory issues with the mix and match process for the majority of the states. The majority of the states agreed it would be helpful to have additional outreach and guidelines on the proper uses of mix and match. Mr. Beatty reported that the Rulemaking Committee will continue working on mix and match for the balance of the year as it works with the IIPRC Office to develop guidance for both states and companies as to the proper use of mix and match. Mr. Beatty concluded his report; there were no comments or questions.

Commissioner Cunningham then asked for a motion from a member of the Management Committee to approve the report and recommendation of the Finance, and the reports of the Product Standards and Rulemaking Committees. Ms. Lohmann made a motion and Mr. Sanders seconded the motion. A roll call vote was taken; and the motion passed unanimously.

As the final agenda item, Ms. Schutter discussed several items under Operational Matters. Ms. Schutter announced that the in-person meeting scheduled for November 18th has a new time due to schedule conflicts for several members. With respect to product filing statistics, 198 companies have registered and there have been 796 product filing submissions. Ms. Schutter noted that the Insurance Compact has collected over \$1.5 million in state filing fees this year on behalf of the member jurisdictions. Ms. Schutter reported that she has been invited to participate by the Council of State Government's National Center for Interstate Compacts to serve a one-year term on its inaugural Interstate Compacts Advisory Committee. Ms. Schutter concluded her report with an update on outreach activities. As there were no further matters or questions, Ms. Mealer made a motion to adjourn and Commissioner Sevigny seconded the motion; the meeting was adjourned.