



**JOINT MEETING OF THE MANAGEMENT COMMITTEE AND THE  
INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION**

**Friday, August 14, 2020**

**4:00 pm ET / 3:00 pm CT / 2:00 pm MT / 1:00 pm PT / 12:00 pm AKT / 11:00 am HI**

**Via WebEx**

1. Roll Call
2. Receive Comments on Proposed Procedures for Commission Consideration:
  - a. Guidelines for Composition, Procedures Duties and Tenure of Committees Established Under Article VIII, Section 4 of the Bylaws of the Interstate Insurance Product Regulation Commission
  - b. Updated Procedures for Submission by and Selection of Applicants for the Consumer Advisory Committee
3. Commission Consideration of the Guidelines for Composition, Procedures, Duties and Tenure of Committees Established Under Article VIII, Section 4 of the Bylaws of the Interstate Insurance Product Regulation Commission
4. Commission Consideration of the Procedures for Submission by and Selection of Applicants for the Consumer Advisory Committee
5. Report and Recommendation of the Governance Review Committee
  - a. Discussion of the Governance Review
  - b. Discussion of the Business Assessment
  - c. Discussion of the Uniform Standards and State Law Comparisons
6. Report and Recommendation from Other Committees
  - a. Rulemaking Committee
  - b. Product Standards Committee
7. Presentation of Focus Group Suggestions and Recommendations for the Insurance Compact Website
8. Progress Update on Action Items in *The Insurance Compact Compass: Strategic Plan 2020-2022*
9. Management Committee and Commission Consideration of Committee Reports and Adoption of Meeting Minutes of the June 29, 2020 Joint Meeting of the Management Committee and Commission
10. Operational Update
11. Any Other Matters
12. Adjourn



**Minutes of the Joint Meeting of the Management Committee and the Interstate Insurance Product  
Regulation Commission  
Friday, August 14, 2020**

**Members of the Commission and Department Staff in Attendance:**

Superintendent Elizabeth Kelleher Dwyer, Chair, Rhode Island  
Commissioner Mark Afable, Vice Chair, Wisconsin  
Jeff Varga as a designated representative for Director Robert H. Muriel, Treasurer, Illinois  
Steve Ostlund as a designated representative for Commissioner Jim Ridling, Alabama  
Shelia Travis, Alabama  
Yada Horace, Alabama  
Director Lori K. Wing-Heier, Alaska  
Sarah Bailey, Alaska  
Sharon Comstock, Alaska  
Katrina Kelly, Alaska  
Anna Latham, Alaska  
Bill Lacy as a designated representative for Commissioner Alan McClain, Arkansas  
Russ Galbraith, Arkansas  
Jimmy Harris, Arkansas  
Sterling Gavette, Arizona  
Erin Klug, Arizona  
Vanessa Darrah, Arizona  
Rolf Kaumann as a designated representative for Commissioner Michael Conway, Colorado  
Peg Brown, Colorado  
Jason Lapham, Colorado  
Josh Hershman as a designated representation for Commissioner Andrew N. Mais, Connecticut  
Jared Kosky, Connecticut  
Lady Mendoza, Connecticut  
Howard Liebers, District of Columbia  
Steve Manders as a designated representative for Commissioner John King, Georgia  
Martha Im as a designated representative for Commissioner Colin Hayashida, Hawaii  
Kathleen Nakasone, Hawaii  
Lisa Zarko, Hawaii  
Mio Shimamura, Hawaii  
Director Dean Cameron, Idaho  
Michelle MacKenzie, Idaho  
Wes Trexler, Idaho  
Lauren Peters, Illinois  
Alexandria Peck as a designated representative for Commissioner Stephen W. Robertson, Indiana  
Mihir Nag, Indiana  
Andria Seip as a designated representative for Commissioner Doug Ommen, Iowa  
Julie Holmes as a designated representative for Commissioner Vicki Schmidt, Kansas  
Barbara Torkelson, Kansas  
Commissioner Sharon P. Clark, Kentucky  
DJ Wasson, Kentucky  
Commissioner James Donelon, Louisiana  
Tom Travis, Louisiana  
Tim Schott as a designated representative for Superintendent Eric A. Cioppa, Maine

Commissioner Kathleen A. Birrane, Maryland  
Nour Benchaaboun, Maryland  
David Cooney, Maryland  
Karen Dennis as a designated representative for Director Anita G. Fox, Michigan  
Tammy Lohmann as a designated representative for Commissioner Steve Kelley, Minnesota  
Commissioner Mike Chaney, Mississippi  
Director Chlora Lindley-Myers, Missouri  
Tiffany Caverhill as a designated representative for Commissioner Matthew Rosendale, Montana  
Director Bruce R. Ramage, Nebraska  
Laura Arp, Nebraska  
Martin Swanson, Nebraska  
Jason Dexter as a designated representative for Commissioner Chris Nicolopoulos, New Hampshire  
Commissioner Marlene Caride, New Jersey  
Phillip Gennace, New Jersey  
Robert Doucette as a designated representative for Superintendent Russell Toal, New Mexico  
Director Barbara Richardson, Nevada  
Jack Childress, Nevada  
Ted Hamby as a designated representative for Commissioner Mike Causey, North Carolina  
Tracy Biehn, North Carolina  
Jackie Obusek, North Carolina  
Director Jillian Froment, Ohio  
Lori Barron, Ohio  
Cuc Nguyen as a designated representative for Commissioner Glen Mulready, Oklahoma  
Ron Kreiter, Oklahoma  
Andrew Schallhorn, Oklahoma  
Commissioner Andrew Stolfi, Oregon  
TK Keen, Oregon  
Tashia Sizemore, Oregon  
Tracie Gray as a designated representative for Commissioner Jessica K. Altman, Pennsylvania  
Shannen Logue, Pennsylvania  
Tom Kilcoyne, Pennsylvania  
Matthew Gendron, Rhode Island  
Shari Miles as a designated representative for Director Raymond Farmer, South Carolina  
Gwen McGriff, South Carolina  
Michael Wise, South Carolina  
Carter Lawrence as a designated representative for Commissioner Hodgen Mainda, Tennessee  
Bill Huddleston, Tennessee  
Rachel Jade, Tennessee  
Doug Slape as a designated representative for Commissioner Kent Sullivan, Texas  
Rachel Bowden, Texas  
David Bolduc, Texas  
Sandra Dodson, Texas  
Libby Elliott, Texas  
Richard Gober, Texas  
Richard Lunsford, Texas  
Michael Nored, Texas

Robert Simons, Texas  
Barbara Snyder, Texas  
Commissioner Todd E. Kiser, Utah  
Shelley Wiseman, Utah  
Tomasz Serbinowski, Utah  
Kevin Gaffney as a designated representative for Commissioner Michael Pieciak, Vermont  
Phil Keller, Vermont  
Emily Brown, Vermont  
Christine Menard-O'Neil, Vermont  
Anna Van Fleet, Vermont  
Don Beatty as a designated representative for Commissioner Scott A. White, Virginia  
Mike Bryant as a designated representative for Commissioner Mike Kreidler, Washington  
John Haworth, Washington  
Molly Nollette, Washington  
Commissioner James A. Dodrill, West Virginia  
Erin Hunter, West Virginia  
Commissioner Jeff Rude, Wyoming

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

Representative Matt Lehman, Indiana  
Representative Brian Patrick Kennedy, Rhode Island  
Senator Laura Fine, Illinois  
Representative Joe Fischer, Kentucky  
Heather Morton, National Conference of State Legislatures  
Tom Considine, National Council of Insurance Legislators

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

Anne Correia, Allianz  
Amanda Herrington, AHIP  
Wayne Mehlman, ACLI  
Charles Perin, Nationwide  
Shawn Pollock, Mutual of Omaha  
Gary Sanders, NAIFA

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

Brendan Bridgeland, Center for Insurance Research  
Yvonne Hunter  
Fred Nepple  
Andrew Sperling, NAMI

**Insurance Compact Staff in Attendance:**

Karen Schutter, Executive Director

Becky McElduff, Director of Product Operations & Chief Counsel  
Sara Dubsky, Assistant Director of Administrative Operations  
Ed Charbonnier, Product Reviewer  
Jeanne Daharsh, Actuary  
Sue Ezalarab, Regulatory Coordinator Consultant  
Karen Givens, Senior Product Reviewer  
Naomi Kloepersmith, Actuary  
Maureen Perry, Product Review Consultant  
Hanna Steen, Administrative Assistant

Superintendent Dwyer called to order the Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission (Insurance Compact or Commission). Ms. Schutter took the roll call of the: Management Committee, Commission, Legislative Committee, and Industry and Consumer Advisory Committees.

Superintendent Dwyer proceeded to receive comments on two proposed procedures. The first item is the Guidelines for Composition, Procedures Duties and Tenure of Committees Established Under Article VIII, Section 4 of the Bylaws of the Interstate Insurance Product Regulation Commission and the second is the Updated Procedures for Submission by and Selection of Applicants for the Consumer Advisory Committee. Ms. Schutter provided an update on the development of each of these procedures.

The Rulemaking Committee drafted and recommended to the Management Committee the Guidelines for Composition, Procedures, Duties and Tenure of what is called other Committees and has its own section of the Bylaws, Article VIII, Section 4. These guidelines were based on the requirements in the Compact statutes and Bylaws along with the current practices and procedures and examples from other organizations including the NAIC. Upon the request of the Management Committee, the Rulemaking Committee did their work most of last year and recommended these guidelines at the February joint call. These guidelines were exposed for comment and no written comments were received.

The next set of guidelines are an update to the current procedures for submission criteria and selection of applicants for the Consumer Advisory Committee (CAC). The CAC is an eight-person committee representing the consumer perspective. The guidelines were developed in cooperation with the members of the CAC. These guidelines provide more detail to the composition criteria to expand the Commission's practice over the years. The CAC procedures had not been updated since they were originally put into place in 2007. The proposal provides more detailed guidance on demonstration of independence from the insurance industry including the completion of an initial, and thereafter, annual conflict of interest statement. These procedures also add more transparency with respect to the selection process including having the option of receiving input from the CAC and even the NAIC Consumer Board of Trustees when there are more applicants than open seats. The current members of the CAC are asking for the Commission's consideration as there are currently three open seats on the CAC.

Superintendent Dwyer asked if there were any questions. Mr. Slape raised a question regarding the following language:

“Expense reimbursement from a regulated entity for actual travel expenses, including transportation, lodging and meals, generally does not represent a conflict if the travel is related to representation of insurance consumer interests. Disclosure of such expense reimbursements is not required.”

Ms. Schutter noted that it was to stress the reimbursements will be for actual expenses and the members of the CAC are not to earn revenue. Mr. Bridgeland agreed and provided further justification behind the drafting of the language. Ms. Peck noted that Commissioner Robertson wants to ensure that marginalized groups are represented through the CAC. There were no other questions or comments.

Superintendent Dwyer asked for a joint motion of the Management Committee and Commission to adopt the Guidelines for Composition, Procedures, Duties and Tenure of what is called other Committees and

has its own section of the Bylaws Article VIII, Section 4. Director Froment made the motion and Commissioner Caride seconded the motion. There was no objection to conducting a voice vote. The motion passed; Indiana opposed.

Superintendent Dwyer asked for a joint motion of the Management Committee and Commission to adopt the Updated Procedures for Submission by and Selection of Applicants for the Consumer Advisory Committee. Commissioner Caride made the motion and Commissioner Afable seconded the motion. A voice vote was conducted and the motion was adopted.

Superintendent Dwyer proceeded to the report of the Governance Review Committee. Superintendent Dwyer noted that she wanted to address the questions raised by Commissioner Donelon during the Executive Committee Meeting held on August 13, 2020. Superintendent Dwyer explained the Insurance Compact's budget was amended to include \$400,000 under the Professional Services line for the Governance Review and the Business Assessment. Superintendent Dwyer further noted the two reviews are anticipated to cost about \$275,000 and the remaining amount is for legal analysis after the Colorado Supreme Court's decision. There is a reserve in case additional actions or reviews are required. Commissioner Donelon asked what the impetus for the Governance Review was. Superintendent Dwyer noted that this was part of the strategic plan and the renegotiation of the terms for the line of credit.

Superintendent Dwyer reported the Governance Review Committee has completed the RFP selection process for the Governance Review and Business Assessment projects. Squire Patton Boggs, with Mary Jo Hudson, Pat Hatler, and James Eklund as the leads, have been selected for the Governance Review. Superintendent Dwyer provided an overview of the three leads. For the Business Assessment, Rector and Associates, with Neil Rector and Sarah Schroeder as the leads. Superintendent Dwyer noted Rector and Associates will be leveraging the compact and debt financing expertise of Squire Patton Boggs. Superintendent Dwyer reported each firm will seek feedback from representative cross-sections of the Commission as a key part of the projects. This feedback, along with the review of processes and operations, will form the basis for their recommendations. Superintendent Dwyer explained the Committee also conducted a selection process for an outside law firm to perform legal analysis stemming from the Colorado Supreme Court opinion. Nelson Mullins Riley and Scarborough has been selected for this review. Finally, the Insurance Compact Office is working to reach out to each of the states with respect to verifying any differences between the state statutes and the Insurance Compact's Uniform Standards.

Superintendent Dwyer asked Commissioner Stolfi to provide the report of the Rulemaking Committee. Commissioner Stolfi stated the Rulemaking Committee has held two regulator calls since the last Commission call as the Committee continues its work on a strategic plan action item regarding whether to expand group types for the Uniform Standards and also responding to a request from Superintendent Dwyer to review the notices that go to the members and state legislatures. The Rulemaking Committee developed and issued a survey on July 15<sup>th</sup> to the Compacting States and industry for the purpose of gaining a better understanding how non-employer groups are reviewed and regulated and how they are filed and marketed. The Committee is asking for one completed survey per state and one response per company or business unit for company filers that market group products.

The Rulemaking Committee has begun to review the notices that go to the members and state legislatures and legislators with respect to adoption of Uniform Standards and the right to opt out. The Committee will offer suggestions for improvement and possibly uniform notice templates with a recommendation to the



Management Committee. Work of the Rulemaking Committee may be followed by reviewing the call summaries from the regulators and public calls published on the About the Compact web page. Commissioner Stolfi concluded the report of the Rulemaking Committee. There were no questions or comments regarding the report of the Rulemaking Committee.

Superintendent Dwyer asked for the report of the Product Standards Committee (PSC) and asked Mr. Lapham to provide the report. Mr. Lapham reported the PSC has completed its review of the written comments submitted by the ACLI during the comment period for the amendments to the *Additional Standards for Waiver of Premium*, and *Additional Standards for Waiver of Monthly Deductions* and the new standard, *Additional Standards for Waiver of Surrender Charge Benefit for Life Insurance*, as well as comments from Oregon and Hawaii. A public hearing on the revised drafts is scheduled for September 22, 2020. Mr. Lapham noted the PSC will be starting the 5 Year Review of all the group term life Uniform Standards as well as the *Additional Standards for Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities*. These standards can be viewed on the Docket. The PSC will be reviewing comments from ACLI, Oregon and Texas.

Mr. Lapham continued, the PSC is also working on its assignments from the Strategic Plan involving improving notices regarding uniform standards development, guidance on uniform standards development and development of a system for identifying and prioritizing the development of new uniform standards. Mr. Lapham concluded the report of the PSC. There were no questions or comments regarding the report of the PSC.

Superintendent Dwyer asked if there was a motion from a member of the Management Committee to adopt the reports of the Governance Review, Rulemaking, and Product Standards Committees. Commissioner Afable made the motion; Commissioner Caride seconded the motion. A voice vote was conducted; all were in favor.

Superintendent Dwyer asked Ms. Schutter to provide the Focus Group's suggestions and recommendations regarding potential enhancements to the Insurance Compact's website. Ms. Schutter reported the work of the Focus Groups is the result of a strategic plan action item, specifically, Priority 3, Action Item 3 which was to convene focus groups to identify information needs and improvements to the Compact website. The members and interested parties are asked to review these recommendations and provide their input and any additional suggestions between now and the next meeting of the Management Committee and Commission at the end of September. Ms. Schutter noted the goal is to have these recommendations subject to discussion and adoption at the next meeting in order to move forward on implementing the suggestions. Ms. Schutter explained the NAIC provides the technical support with respect to the development and maintenance of the Compact website. The Insurance Compact Office supports the content and presentation and may need to work within the constraints of the technology. Ms. Schutter reported the Insurance Compact Office is investigating whether the Commission may need to make an investment in its website technology; and a recommendation will be brought forward later in the year.

Ms. Schutter reported the Insurance Compact Office ran web analytics and conducted a website survey to assist with the review of the website. The results were shared with the Focus Groups and the results are included in the report. Three focus groups – regulator, insurer, consumer/legislator – were convened for three calls each and then a fourth call that brought all groups together to review the final recommendation.

Ms. Schutter noted the Focus Groups reviewed the key pages of the website. There were no questions or comments for Ms. Schutter.

Superintendent Dwyer asked Ms. Schutter to provide a report on the implementation of the Compact's Strategic Plan. Ms. Schutter noted the Insurance Compact is on target for all action items. As previously reported, the governance review and business assessment are well underway. The Rulemaking Committee is currently conducting a survey with respect to one of their action items related to regulation of non-employer group types such as associations. The Product Standards Committee will be working three related action items at one time all pertaining to the uniform standards development process. Ms. Schutter reported the Insurance Compact Office: has completed the focus group efforts; has instituted the member monthly digest; finalized the restructured debt arrangement including making the first of 10 annual repayments to the NAIC; continued to improve the expedited review process; and the Regulatory Coordinator has outreached to several of our Compacting States. There were no questions or comments for Ms. Schutter.

Superintendent Dwyer asked for a motion from a member of the Management Committee to adopt the meeting minutes from the June 29<sup>th</sup> joint meeting of the Management Committee and Commission. Commissioner Caride made the motion; Commissioner Schmidt seconded. A voice vote was conducted, and the Meeting Minutes were adopted.

Superintendent Dwyer asked Ms. Schutter provide a report on current Insurance Compact operations. Ms. Schutter reminded all members and company filers selling group products to respond to the Rulemaking Committee's survey by or before Friday, September 4<sup>th</sup>. The survey may be found on the Insurance Compact website under "News and Announcements". Ms. Schutter reported the Insurance Compact Office is providing a webinar to regulators with respect to two pending in-force rate increases on Compact-approved LTC products. Ms. Schutter explained both requests are seeking rate increases under 15% and is the first time the Insurance Compact has received such type of filing where the increase is within the threshold of the Insurance Compact's jurisdiction to review and approve. Ms. Schutter remarked that the Insurance Compact Office has been working cooperatively with the NAIC Multi-State Actuaries as well. Ms. Schutter explained the Insurance Compact Office is reaching out to the Compacting States over the next four weeks to better understand where state statute may differ from the Uniform Standards. Ms. Schutter provided an update on the upcoming committee meetings including the two Product Standards Committee calls, the Finance Committee and the next joint conference call of the Management Committee and Commission.

As there were no other matters to be brought before the Commission, the joint meeting of the Management Committee and Commission adjourned.