



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

Monday, February 25, 2019

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 Product Standards Committee and Consideration by the Management Committee to Approve the Report and Recommendation of the Product Standards Committee
3. Report of the Regulatory Counsel Committee and Consideration by the Management Committee to Approve the Report of the Regulatory Counsel Committee
4. Report of the Rulemaking Committee and Consideration by the Management Committee to Approve the Report of the Rulemaking Committee
5. Update on the Opt-Out Process and Consider Extension of Stay of the Effectiveness of the Individual Disability Income Insurance Uniform Standards for the Wyoming Insurance Department
6. Management Committee and Commission Consideration of Adoption of Meeting Minutes of the November 14, 2018 Joint Meeting of the Management Committee and Commission
7. Overview of the Insurance Compact Strategic Planning Initiative
8. Operational Update
9. Any Other Matters
10. Adjourn

**Minutes of the Joint Meeting of the Management Committee and the Interstate Insurance Product
Regulation Commission
Monday, February 25, 2019**

Members of the Commission and Department Staff in Attendance:

Director Jillian Froment, Chair, Ohio
Superintendent Elizabeth Kelleher Dwyer, Vice Chair, Rhode Island
Director Chlora Lindley-Myers, Treasurer, Missouri
Steve Ostlund as a designated representative for Commissioner Jim L. Ridling, Alabama
Director Lori K. Wing-Heier, Alaska
Sarah Bailey, Alaska
Mayumi Gabor, Alaska
Jacob Lauten, Alaska
Bill Lacy as a designated representative for Commissioner Allen W. Kerr, Arkansas
Rolf Kaumann as a designated representative for Commissioner Michael Conway, Colorado
Steve Manders as a designated representative for Commissioner Jim Beck, Georgia
Kathleen Nakasone as a designated representative for Commissioner Colin Hayashida, Hawaii
Martha Im, Hawaii
Director Dean L. Cameron, Idaho
Jo McGill, Idaho
Alexandria Peck as a designated representative for Commissioner Stephen W. Robertson, Indiana
Andria Seip as a designated representative for Commissioner Doug Ommen, Iowa
Mathew Cunningham, Iowa
Julie Holmes as a designated representative for Commissioner Vicki Schmidt, Kansas
Frank Opelka as a designated representative for Commissioner James J. Donelon, Louisiana
Tom Travis, Louisiana
Tim Schott as a designated representative for Superintendent Eric A. Cioppa, Maine
Robert Morrow as a designated representative for Commissioner Al Redmer, Jr., Maryland
Nour Benchaaboun, Maryland
Sheri Cullen as a designated representative for Commissioner Gary D. Anderson, Massachusetts
Randall Gregg as a designated representative for Director Anita G. Fox, Michigan
Sarah Wohlford, Michigan
Roger Stefani as a designated representative for Commissioner Steve Kelley, Minnesota
Bob Williams as a designated representative for Commissioner Mike Chaney, Mississippi
Mary Mealer, Missouri
Director Bruce R. Ramge, Nebraska
Laura Arp, Nebraska
Commissioner Barbara Richardson, Nevada
Diana Lavoie, New Hampshire
Commissioner Marlene Caride, New Jersey
Phillip Gennace, New Jersey
Superintendent John G. Franchini, New Mexico
Mark Hendrick, New Mexico
Ted Hamby as a designated representative for Commissioner Mike Causey, North Carolina
Amanda Baird, Ohio
Lilane Fox, Ohio
Joel Sander as a designated representative for Commissioner Glen Mulready, Oklahoma
TK Keen as a designated representative for Commissioner Andrew Stolfi, Oregon

Glenda Villamar, Oregon
Tom Kilcoyne as a designated representative for Commissioner Jessica K. Altman, Pennsylvania
Matthew Gendron, Rhode Island
Shari Miles as a designated representative for Director Raymond G. Farmer, South Carolina
Lorrie Brouse as a designated representative for Commissioner Julie Mix McPeak, Tennessee
Doug Danzeiser as a designated representative for Commissioner Kent Sullivan, Texas
John Carter, Texas
Tanji Northrup as a designated representative for Commissioner Todd E. Kiser, Utah
Heidi Clausen, Utah
Tomasz Serbinowski, Utah
Christina Rouleau as a designated representative for Commissioner Michael S. Pieciak
Don Beatty as a designated representative for Commissioner Scott A. White, Virginia
Molly Nollette as a designated representative for Commissioner Mike Kreidler, Washington
Mike Bryant, Washington
Tonya Gillespie as a designated Representative for Acting Insurance Commissioner Erin K. Hunter,
West Virginia
Angela DaSilveira, West Virginia
Rebecca Rebholz as a designated representative for Commissioner Mark Afable, Wisconsin
Lisa Brandt, Wisconsin
Sue Ezalarab, Wisconsin
Commissioner Tom Glause, Wyoming

Members of the Legislative Committee in Attendance:

Senator Bob Duff, Connecticut

Members of the Industry Advisory Committee in Attendance:

Emily Micale, American Council of Life Insurers
Charles Perin, Nationwide Life Insurance Company
Michael Hitchcock, Pacific Life Insurance Company

Members of the Consumer Advisory Committee in Attendance:

Fred Nepple, Consumer Liaison Representative
Roger Sevigny, Consumer Liaison Representative
Andrew Sperling, National Alliance on Mental Illness

Insurance Compact Staff in Attendance:

Karen Schutter, Executive Director
Becky McElduff, Assistant Director of Product Operations
Sara Dubsy, Senior Operations Manager
Jeanne Daharsh, Actuary
Karen Givens, Senior Product Reviewer
Anne Marie Narcini, Regulatory Consultant

Maureen Perry, Product Review Consultant

Interested Parties in Attendance:

Anne Correia, Allianz Life Insurance Company
Karen Adler, Guardian Life Insurance Company
Jenna Austin, Guggenheim Life and Annuity Company
Denise Koruba, Penn Mutual Life Insurance Company
Angela Acker-Fisher, Securian Financial Group
Jon Brunner, State Farm

Director Froment 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.

Director Froment welcomed three new NCOIL appointees to the Legislative Committee: Louisiana Senator Dan “Blade” Morrish, Indiana Representative Matt Lehman, and Nevada Assemblywoman Maggie Carlton. Director Froment reported that the Commission is waiting for NCOIL to appoint one additional state legislator to the committee.

Director Froment proceeded to the second agenda item and asked Ms. Mealer to provide the report and recommendation of the Product Standards Committee (PSC). Ms. Mealer reported that the PSC recommends to the Management Committee amendments to the *Additional Standards for Overloan Protection Benefits* to widen the Scope of the Uniform Standards to include whole life insurance products. Ms. Mealer stated that this recommendation was identified as a high priority item by regulators and interested parties, and is the first in the PSC’s work to address gaps within the current individual life insurance and annuity Uniform Standards. Ms. Mealer reported that the PSC exposed a draft of the proposed amendments for public comment in October 2018, and held two public calls to receive comments. Comments were received and considered from a company filer, the ACLI and a member state.

Ms. Mealer reported that the PSC is also working on developing uniform standards for group annuity products, and has recently completed its review of comments received on the initial draft of the *Single Premium Group Fixed Annuity Contract Uniform Standards*, and will soon be posting a second draft for review and comment. Ms. Mealer stated that the PSC held a public call in February 2019, to receive comments on the initial drafts of the *Group Annuity Certificate Uniform Standards* and the *Uniform Standards for Group Guaranteed Income Contracts for Non-Variable Annuities*. Ms. Mealer reported that the PSC has begun initial review of a working draft for *Additional Standards for Return of Premium for Individual Disability Income Insurance*, and will expose the draft for public comment once the initial review is complete. Ms. Mealer concluded her report and there were no questions.

Director Froment proceeded to the next agenda item and asked Ms. Baird to provide the report of the Regulatory Counsel Committee. Ms. Baird reported that the Regulatory Counsel Committee is receiving regular updates from the Insurance Compact Office, including their process for participating in the appeal of the ongoing third-party litigation involving Compact-approved products and legal issues regarding the Insurance Compact in the federal district of Colorado, for purposes of informing the appeals court about the background, principles, activities, and importance of the Insurance Compact as a state-based regulatory paradigm. Ms. Baird concluded her report and there were no questions.

Director Froment proceeded to the next agenda item and asked Mr. Beatty to provide the report of the Rulemaking Committee. Mr. Beatty reported that the Rulemaking Committee held a member-only call on January 30th to discuss the 2019 work plan. Mr. Beatty stated that there are three items before the Committee for consideration: the development of a recommendation to the Management Committee regarding the expansion of employer-employee group Uniform Standards to other eligible groups; the development of a recommendation to the Management Committee of proposed written criteria for the committee assignment process, including examination of the feasibility of allowing member states who are not sitting on the PSC to participate in member-only drafting calls of the PSC; and review of the Five-

Year Review process guidelines for the purposes of recommending improvements or modifications. Mr. Beatty reported that the Rulemaking Committee will meet over the course of the year and provide opportunities for public input on its work prior to making any recommendations to the Management Committee. Mr. Beatty concluded his report and there were no questions.

Director Froment requested a motion from a member of the Management Committee to adopt the reports of the Product Standards, Regulatory Counsel, and Rulemaking Committees, including to accept the recommendation from the PSC to publish the amended *Additional Standards for Overloan Protection Benefits* for a sixty-day public comment period. Director Lindley-Myers moved and Director Cameron seconded. There were no further comments or discussion. Ms. Schutter took a roll call vote of the Management Committee and the motion carried.

Director Froment proceeded to the next agenda item, full Commission consideration of a request from the Wyoming Department of Insurance to extend the stay of effectiveness of the amended individual Disability Income Insurance Uniform Standards while the state legislature pursues regulation to opt out. Director Froment stated that the Commission approved Wyoming's original request for a 120-day extension at the September 24, 2018 joint meeting of the Management Committee and Commission. Director Froment reported that the 120-day stay began when the amended Uniform Standards became effective on November 19, 2018, and would expire on March 19, 2019. The Wyoming Department of Insurance requested an additional 180-day stay in their letter dated February 21, 2019.

Commissioner Richardson asked why the Commission was not considering two stays in 90-day increments. Commissioner Glause stated that one 90-day stay extension would be sufficient, as the final rule has been submitted to the Wyoming governor's office and will be complete upon the signature by the governor. There were no further questions or comments.

Director Froment requested a motion from a Commission member to extend the Wyoming stay of effectiveness by 90 days. Commissioner Richardson moved and Director Range seconded. There was no further discussion. Ms. Schutter conducted a roll call vote and the motion carried.

Director Froment proceeded to the next agenda item and requested a joint motion of the Management Committee and Commission to adopt the meeting minutes of the November 14th joint meeting of the Management Committee and Commission. Mr. Gregg moved and Superintendent Dwyer seconded. There was no further discussion. Director Froment called a voice vote of the entire Commission and the motion carried.

Director Froment proceeded to the next agenda item and asked Ms. Schutter to provide an Operational Update. Ms. Schutter reported that the upcoming April 5th joint meeting of the Management Committee will take place in Orlando, FL. Ms. Schutter provided a summary of the current product filing statistics, including an update on the Expedited Review Process Pilot, and outreach efforts by the Insurance Compact Office. Ms. Schutter reported that the District of Columbia Compact legislation will become effective on March 6th, and that the District of Columbia will be effective for filing on March 21st. Ms. Schutter reported that New York and Florida have Compact legislation pending, while Hawaii and Connecticut have omnibus bills pending that would remove the opt outs for Long-Term Care insurance and Disability Income insurance respectively. Ms. Schutter then provided an update on the *Amica v. Wertz* appeal. Ms. Schutter reported that the Compact and the NAIC are preparing a joint amicus brief using the services of

the law firm Holland and Hart, to be submitted in April. Ms. Schutter concluded her report and there were no questions.

Director Froment proceeded to the next agenda item, and reported to the Commission that the Officers recently met with the Insurance Compact Office to discuss plans for the coming year, including the need to develop a strategic plan similar in nature to the NAIC's *State Ahead* and the NIPR's *2020: Focused on the Future*. Director Froment stated that the process will be member-driven, with multiple opportunities for input by Commissioners, department staff, the Legislative Committee, advisory committees, company filers and other interested parties. Director Froment reported that the process would begin with a request that Commissioners and others complete online surveys to provide input on strengths, weaknesses, opportunities and threats with respect to the organization. Director Froment invited everyone to attend an informal strategy session in Orlando, FL, directly before the April 5th in-person meeting. Director Froment stated that some of each in-person meeting will be devoted to discussing strategic planning, with the goal of having a plan in place by the end of the year. Director Froment invited any interested parties to reach out to Ms Schutter or the Commission Officers with any questions or concerns.

Director Froment next presented a proposal from the Officers to eliminate the Communications and Technology committees. Director Froment stated that these committees address matters that are handled by the Insurance Compact Office, and meet infrequently to simply receive reports from the Insurance Compact Office. Director Froment reported that materials regarding this proposal would be provided in advance of the April 5th in-person meeting, at which the Management Committee will vote on the proposal.

Director Froment then reported on the results of the vote to approve the retention of and three-year renewal of the employment agreement with Ms. Schutter as Commission Executive Director. Director Froment reported that 42 Compacting States voted between December 3 and December 7, 2018, and all voting states responded in favor of retention. The results of the vote were published to the Insurance Compact website.

There were no other matters and Mr. Beatty moved to adjourn. Director Lindley-Myers seconded and the meeting was adjourned.