



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

Monday, June 17, 2019

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

1. Roll Call
2. Public Hearing on *RAUS 2019-1: Additional Standards for Overloan Protection Benefits*
3. 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
4. Report of the Finance Committee and Recommendation to extend the Expedited Review Pilot Program to December 31, 2019 and Consideration by the Management Committee to Approve the Report and Recommendation of the Finance Committee
5. Update and Discussion of the Insurance Compact Strategic Planning Initiative
6. Management Committee and Commission Consideration of Adoption of Meeting Minutes of the April 5, 2019 Joint Meeting of the Management Committee and Commission
7. Operational Update
8. Any Other Matters
9. Adjourn

**Minutes of the Joint Meeting of the Management Committee and the Interstate Insurance Product
Regulation Commission
Monday, June 17, 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
Yada Horace, 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
Sydney Hope Sloan, Colorado
Howard Liebers, District of Columbia
Steve Manders as a designated representative for Commissioner Jim Beck, Georgia
Kathleen Nakasone as a designated representative for Commissioner Colin Hayashida, Hawaii
Donna Daniel as a designated representative for Director Dean L. Cameron, Idaho
Michael Chrysler as a designated representative for Director Robert H. Muriel, 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
Mathew Cunningham, Iowa
Julie Holmes as a designated representative for Commissioner Vicki Schmidt, Kansas
Malinda Shepherd as a designated representative for Commissioner Nancy G. Atkins, Kentucky
Tom Travis as a designated representative for Commissioner James J. Donelon, Louisiana
Tim Schott as a designated representative for Superintendent Eric A. Cioppa, Maine
Nour Benchaaboun as a designated representative for Commissioner Al Redmer, Jr., Maryland
Sheri Cullen as a designated representative for Commissioner Gary D. Anderson, Massachusetts
Catherine Hart as a designated representative for Director Anita G. Fox, Michigan
Tammy Lohmann as a designated representative for Commissioner Steve Kelley, Minnesota
Bob Williams as a designated representative for Commissioner Mike Chaney, Mississippi
Mary Mealer, Missouri
Pam Koenig, Montana
Director Bruce R. Ramge, Nebraska
Commissioner Barbara Richardson, Nevada
Denise Lamy as a designated representative for Commissioner John Elias, New Hampshire
Diana Lavoie, New Hampshire
Commissioner Marlene Caride, New Jersey
Mark Hendrick, New Mexico
Ted Hamby as a designated representative for Commissioner Mike Causey, North Carolina
Amanda Baird, Ohio
Glenda Villamar, Oregon
Tracie Gray as a designated representative for Commissioner Jessica K. Altman, Pennsylvania
Tom Kilcoyne, Pennsylvania
Matthew Gendron, Rhode Island

Sarah Neil, Rhode Island
Raymond Santilli, Rhode Island
Shari Miles as a designated representative for Director Raymond G. Farmer, South Carolina
Lorrie Brouse as a designated representative for Interim Commissioner Carter Lawrence, Tennessee
Brian Hoffmeister, Tennessee
John Carter, Texas
Tomasz Serbinowski as a designated representative for Commissioner Todd E. Kiser, Utah
Heidi Clausen, Utah
Don Beatty as a designated representative for Commissioner Scott A. White, Virginia
Mike Bryant as a designated representative for Commissioner Mike Kreidler, Washington
Timothy Sigman as a designated representative for Insurance Commissioner James A. Dodrill, West Virginia
Joylynn Fix, West Virginia
Rebecca Rebholz as a designated representative for Commissioner Mark Afable, Wisconsin
Sue Ezalarab, Wisconsin
Amanda Tarr, Wyoming

Members of the Legislative Committee in Attendance:

Representative Matt Lehman, Chair, Indiana

Members of the Industry Advisory Committee in Attendance:

Wayne Mehlman, American Council of Life Insurers
Amanda Matthiesen, America's Health Insurance Plans
Kurt Vangreen, Mutual of Omaha
Michael Hitchcock, Pacific Life Insurance Company

Insurance Compact Staff in Attendance:

Karen Schutter, Executive Director
Becky McElduff, Assistant Director of Product Operations
Sara Dubsy, Senior Operations Manager
Lucy Conley-Smoucha, Communications Coordinator
Karen Givens, Senior Product Reviewer
Anne Marie Narcini, Regulatory Consultant
Maureen Perry, Product Review Consultant

Interested Parties in Attendance:

Tobie Brink, American National Insurance Company
Stuart Bergman, Gerber Life
Vera Ray, Great American Life Insurance Company
Karen Adler, Guardian Life Insurance Company
Lindsey Zimmerman, Guardian Life Insurance Company
Laura VanLaningham, Illinois Mutual Life Insurance Company

Daniel Hougen, MetLife
Tom Considine, NCOIL
Khari Parson, New York Life Insurance Company
Craig Hopkins, Pacific Life
Denise Koruba, Penn Mutual Life Insurance Company
Brett Taber, Principal Financial
Tammy Ford, State Farm
Julia Weber, State Farm
Elizabeth Kottkamp, United of Omaha Life Insurance Company
Elizabeth Lindsay, VOYA Financial
Ute Luedtke-Ahrens, Zurich American Life

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 proceeded to the second agenda item and asked Ms. Schutter to provide background information on the proposed amendments to the *Additional Standards for Overloan Protection Benefit*. Ms. Schutter summarized the purpose of the amendments and reported that this is the first item the Product Standards Committee (PSC) addressed from the Priority List for Uniform Standards Development approved by the Management Committee in September 2018. Ms. Schutter stated that the PSC issued an initial draft of the proposed amendments on October 16, 2018 and held a public conference call on October 30, 2018 to receive comments on the draft. The PSC published a second draft on January 16, 2019 and held a second public call to receive comments on February 5, 2019. Ms. Schutter stated that the Management Committee approved the PSC recommendation to publish the proposed amendments for 60-day notice and comment on February 25, 2019. The proposed amendments were published on March 12, 2019. No written comments were submitted during this period. Ms. Schutter concluded her overview.

Director Froment opened the public hearing on the proposed amendments to the *Additional Standards for Overloan Protection Benefit*. There were no comments from members of the Commission, Legislative Committee, Consumer and Industry Advisory Committees, or from other interested parties. Director Froment concluded the public hearing.

Director Froment proceeded to the next agenda item and asked Ms. Mealer to provide the report and recommendation of the PSC. Ms. Mealer reported that the PSC recommends to the Management Committee two new Uniform Standards in different product lines for the purpose of commencing the formal rulemaking process – the *Additional Standards for Return of Premium for Individual Disability Income Insurance Policies*, and the *Single Premium Group Fixed Annuit Contract Uniform Standards for Employer Groups*. Ms. Mealer reported that the *Additional Standards for Return of Premium for Individual Disability Income Insurance Policies* directly resulted from the Five-Year Review of Individual Disability Income Insurance Uniform Standards undertaken in 2018, in which the Management Committee agreed to consider this benefit as additional Uniform Standards and to move forward the other Five-Year Review amendments without waiting for the new Uniform Standards to be developed at that time. Ms. Mealer summarized the PSC drafting process for the proposed Uniform Standards, which included a review of existing return of premium benefit forms in the marketplace today, discussion with companies who market the products, regulatory requirements, consideration of the return of premium Uniform Standards for individual life insurance products, and PSC input. Ms. Mealer reported that the PSC solicited written comments on the initial draft Uniform Standards and held a public call on May 21, 2019. Ms. Mealer stated that the majority of comments received were suggested edits to clarify the intent of the Uniform Standards; however, one state asked how often the benefit was purchased, and; another state expressed concern with the process for developing Uniform Standards and seeking public comment, questioned why the change was outside of the Five-Year Review, and asked whether the cost of the benefit outweighed any return the consumer would receive. A company selling the product indicated that the benefit is generally considered by policyholders concerned about paying for disability income insurance but never using the benefit. At least one other company provided a numerical demonstration of the benefit and responded to the state's concern. The PSC reviewed all comments and made clarification changes, noting that return of premium is not a new benefit feature and has been in the marketplace and accepted

by states for over 20 years, and detailed Uniform Standards with prior review, including rate review, would benefit all member states. Ms. Mealer concluded the PSC report and there were no further questions.

Director Froment requested a motion from a member of the Management Committee to adopt the PSC Report, including the recommendation to publish the *Additional Standards for Return of Premium for Individual Disability Income Insurance Policies* and the *Single Premium Fixed Group Annuity Contract Uniform Standards for Employer Groups*. Superintendent Dwyer moved and Commissioner Caride seconded. Ms. Schutter called a roll call vote of the Management Committee and the motion carried with none opposed.

Director Froment proceeded to the next agenda item and asked Director Lindley-Myers to provide the report and recommendation of the Finance Committee. Director Lindley-Myers summarized Commission financials through the end of May 2019. Director Lindley-Myers reported that the Commission earned \$2,054,567 through the end of May, approximately 14% greater than budgeted revenue and approximately 40% greater than the revenue earned over the same period in 2018. Director Lindley-Myers reported that expenses were 3% over budget, due predominantly to accrued vacation liability.

Director Lindley-Myers reported that the Finance Committee has been monitoring the Expedited Review Process pilot that was adopted on a six-month basis as part of the 2019 budget. Director Lindley-Myers reported that 25 companies made 31 submission, generating \$68,325 through the end of May, and over half of the companies who participated in the pilot made repeat requests for Expedited Review. Director Lindley-Myers delivered the Finance Committee recommendation that the Management Committee extend the Expedited Review Process Pilot until December 31, 2019 to allow the Finance Committee and Commission to better assess the program and its long-term viability. Director Lindley-Myers concluded her report and there were no questions.

Director Froment requested a movement from a member of the Management Committee to extend the Expedited Review Process Pilot to December 31, 2019. Commissioner Caride moved and Mr. Chrysler seconded. Ms. Schutter took a roll call vote of the Management Committee. The motion carried with none opposed and the pilot program was extended.

Director Froment proceeded to the next agenda item, an update and discussion on the Insurance Compact Strategic Planning Initiative. Director Froment summarized the listening phase of the initiative, and reported that the Officers have been meeting with the Insurance Compact Office and members of the Strategic Planning Committee, which includes Roger Sevigny from the Consumer Advisory Committee, Indiana Representative Matt Lehman of the Legislative Committee, and Anne Correia of the Industry Advisory Committee. The Strategic Planning Committee developed a Strategic Planning Framework which lays out draft priorities, objectives, and goals to serve as a starting point to further discussion by the Commission and stakeholders. Director Froment summarized the feedback to date, and asked Ms. Schutter to provide an overview of the draft Strategic Planning Framework.

Ms. Schutter summarized the development of the initial draft Strategic Planning Framework. She stated that surveys were sent to Commissioners, regulators, members of the Legislative Committee, Consumer and Industry Advisory Committees, and other interested parties. Ms. Schutter reported that the Insurance Compact Officers held a public strategy session immediately before the April 5th joint in-person meeting

in Orlando, Florida, and received further comments and discussion. At the joint meeting on the same day, there was further input and discussion from Commission members and interested parties. Ms. Schutter stated that the comments received were organized into five categories: scope of Uniform Standards, Uniform Standards development process, regulatory review process, general education, training and communications, and information sharing between the Insurance Compact Office and Commission members. Ms. Schutter then summarized the priorities, objectives, and goals, as detailed in the draft strategic planning framework.

There were no questions regarding the draft strategic framework, and no additional questions or comments from members or interested parties. Director Froment stated that the strategic planning framework would be published for public comment period and time would be devoted at the August 2nd in-person meeting for discussion of these priorities.

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 April 5th joint meeting of the Management Committee and Commission. Director Lindley-Myers moved and Ms. Lohmann seconded. There was no further discussion and the motion carried via voice vote with none opposed.

Director Froment proceeded to the next agenda item and asked Ms. Schutter to provide an Operational Update. Ms. Schutter reported that Hawaii passed legislation to remove the opt-out for long-term care insurance effective on July 1, 2019, and Connecticut passed legislation to remove the opt out for individual and group disability income insurance. Ms. Schutter stated that the next joint meeting of the Management Committee and Commission will be held in on August 2nd in New York, NY, where final action is expected to be taken for *RAUS 2019-1: Additional Standards for Overloan Protection Benefits*, and the Strategic Plan Framework will be discussed.

Ms. Schutter reported that she recently held New Commissioner Orientation sessions with the Commissioners from Illinois, Oklahoma, Connecticut, and West Virginia, and reminded Commission members that the Insurance Compact Office is always willing to provide an overview of the Compact and answer any questions for state insurance departments or new department staff. Ms. Schutter then provided an update on the *Amica v. Wertz* appeal, and stated that oral arguments are scheduled to begin in the fall, per litigant request. Ms. Schutter summarized current product filing statistics and stated that product filing volume is heavy, 200 filings ahead of this time last year, with an average review time of 28 review days. Ms. Schutter stated that 176 forms have been approved under the Expedited Review Process Pilot, generating nearly \$70,000 in additional revenue. Ms. Schutter reported that Insurance Compact Office is in the late stages of interviewing for two new resources as approved in the 2019 Annual Budget. Ms. Schutter concluded her report and there were no questions.

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