



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

**Monday, October 28, 2019
1:30 pm ET / 12:30 pm CT / 11:30 am MT / 10:30 am PT**

1. Roll Call
2. Presentation of 2020 Annual Budget and Schedule of Fees
3. Public Hearing on the Proposed 2020 Annual Budget and Schedule of Fees
4. Public Hearing on *RAUS 2019-2: Group Policyholder Application Uniform Standards* and *RNUS 2019-4: Uniform Standards for Group Guaranteed Interest Contracts for Non-Variable Annuities for Employer Groups*
5. Report of the Product Standards Committee and Consideration by the Management Committee to Approve the Report of the Product Standards Committee
6. Discussion of the Draft Insurance Compact Strategic Plan
7. Operational Update
8. Any Other Matters
9. Adjourn

**Minutes of the Meeting of the Management Committee of the Interstate Insurance Product
Regulation Commission
Monday, October 28, 2019**

Members of the Commission and Department Staff in Attendance:

Director Jillian Froment, Chair, Ohio
Superintendent Elizabeth Dwyer, Vice Chair, Rhode Island
Director Chlora Lindley-Myers, Treasurer, Missouri
Steve Ostlund, Alabama
Bill Lacy, Arkansas
Jason Lapham, Colorado
Weston Trexler, Idaho as a designated representative for Director Dean Cameron, Idaho
Mike Chrysler as a designated representative for Director Robert 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
Tim Schott, Maine
Roger Stefani, Minnesota
Bob Williams, Mississippi
Mary Mealer, Missouri
Ingrid Marsh, New Hampshire
Denise Lamy, New Hampshire
Olukemi Sotimehin as a designated representative for Commissioner Marlene Caride, New Jersey
Philip Gennace, New Jersey
Mark Hendrick, New Mexico
Amanda Baird, Ohio
Cuc Nguyen, Oklahoma
Glenda Villamar, Oregon
Tom Kilcoyne as a designated representative for Commissioner Jessica K. Altman, Pennsylvania
Shannen Logue, Pennsylvania
Matt Gendron, Rhode Island
Doug Danzeiser as a designated representative for Commissioner Kent Sullivan, Texas
David Bolduc, Texas
John Carter, Texas
Heidi Clausen, Utah
Mike Bryant, Washington
Joylynn Fix as a designated representative for Commissioner James A. Dodrill, West Virginia
Rebecca Rebholz, Wisconsin
Sue Ezalarab, Wisconsin
Commissioner Jeff P. Rude, Wyoming
Amanda Tarr, Wyoming

Members of the Industry Advisory Committee in Attendance:

Wayne Mehlman, American Council of Life Insurers

Members of the Consumer Advisory Committee in Attendance:

Fred Nepple, Consumer Liaison Representative
Andrew Sperling, NAMI

Insurance Compact Staff in Attendance:

Karen Schutter, Executive Director
Becky McElduff, Assistant Director of Product Operations and Counsel
Sara Dubsky, Senior Operations Manager
Mindy Bradford, Product Reviewer
Jeanne Daharsh, Actuary
Karen Givens, Senior Product Reviewer
Yada Horace, Product Reviewer
Naomi Kloeppersmith, Actuary
Anne Marie Narcini, Regulatory Consultant
Maureen Perry, Product Review Consultant

Interested Parties in Attendance:

Melissa Clines, Nationwide
Shirley Grossman, Lincoln Heritage Life Insurance Company
Craig Hopkins, Pacific Life
Keith Mancini, Great-West Financial
Carol Thompson, NAIC
Bret Taber, Principal

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

Director Froment proceeded to the second agenda item, the Presentation of the 2020 Annual Budget and Schedule of Fees. Director Froment stated that the Finance Committee recommended the 2020 Annual Budget Package at the September 30th joint teleconference of the Management Committee and Commission. Director Froment asked Ms. Schutter to summarize the 2020 Annual Budget Package. Ms. Schutter stated that the Finance Committee held three member calls and two public calls related to the 2020 Annual Budget Package, which includes the proposed 2020 Annual Budget, proposed changes to the Schedule of Fees, an extension of the Expedited Review Program, and a proposed request for an additional resource. Ms. Schutter concluded her presentation of the 2020 Annual Budget Package and there were no questions.

Director Froment proceeded to the next agenda item and opened the public hearing on the proposed 2020 Annual Budget Package. There were no comments from the members of the Commission, the Legislative Committee, the Consumer and Industry Advisory Committees, or other interested parties. Director Froment concluded the public hearing. Director Froment stated that the Management Committee and Commission will consider the 2020 Budget Package for adoption at the Annual Meeting on December 9th in Austin, Texas.

Director Froment proceeded to the next agenda item and asked Ms. Schutter to provide a summary on the development of the two uniform standards subject to the Public Hearing, *RAUS 2019-2: Group Policyholder Application Uniform Standards* and *RNUS 2019-4: Uniform Standards for Group Guaranteed Interest Contracts for Non-Variable Annuities for Employer Groups*. Ms Schutter noted RNUS 2019-4 was first exposed for comments in November 2018 and has been subject to two public calls of the Product Standards Committee (PSC). RAUS 2019-2 was first adopted in 2016 and is being amended to apply to group annuity products as well as other group insurance products. Ms Schutter explained that the proposed uniform standards were published for public comment on September 30th and the comment deadline is December 2nd.

Director Froment opened the public hearing on the proposed uniform standards. There were no comments from the members of the Commission, the Legislative Committee, the Consumer and Industry Advisory Committees, or other interested parties. Director Froment concluded the public hearing. Director Froment stated that the Management Committee and Commission will consider both uniform standards for adoption at the Annual Meeting.

Director Froment proceeded to the next agenda item and asked Ms. Mealer to provide the report of the PSC. Ms. Mealer reported that the PSC has been working on the amendments to the *Additional Standards for Waiver of Premium Benefits* and *Additional Standards for Waiver of Monthly Deductions Benefits* to include additional qualifying event triggers beyond total disability. Ms. Mealer stated the PSC is also working on the next items on the Priority List for Uniform Standards Development that was adopted by the Management Committee last summer.

At the direction of the PSC, the Insurance Compact Actuarial Working Group (AWG) is currently working on possible Uniform Standards for Indexed-Linked Variable Annuities, another item on the Priority List. The PSC will bring the recommendation forward after the AWG has completed their work.

The PSC has also reviewed an initial draft of proposed *Additional Standards for Waiver of Surrender Charge Benefit for Life Insurance*. This proposed draft is similar to the current adopted *Additional Standards for Waiver of Surrender Charge Benefit* for individual deferred variable and non-variable annuity contracts. The initial draft has been exposed on the Insurance Compact's online Docket, under Uniform Standards Under Construction. The PSC will convene a public call on Tuesday, November 12th to receive comments. The PSC hopes to have the draft uniform standards ready for recommendation to the Management Committee at the Annual Meeting. Director Froment requested a motion from a member of the Management Committee to approve the report of the PSC. Mr. Stefani moved and Mr. Chrysler seconded. Director Froment called a voice vote and the motion carried.

Director Froment proceeded to the next agenda item and opened a discussion on the draft Insurance Compact Strategic Plan. Director Froment remarked that the comment deadline has been extended from November 1st to November 15th. Director Froment noted that the Insurance Compact Office will conduct four webinars for the purpose of providing an overview of the draft Strategic Plan. There was no discussion, comments or questions regarding the draft Strategic from the members of the Commission, the Legislative Committee, the Consumer and Industry Advisory Committees, or other interested parties.

Director Froment proceeded to the next agenda item and asked Ms. Schutter to provide an Operational Update. Ms. Schutter reiterated that the Annual Meeting will be held in Austin, Texas, on Monday, December 9th at 3:00 p.m. CT. Ms. Schutter reported that the Rulemaking Committee continues to work on the Management Committee's request to examine the opening of committee drafting meetings to all regulators, including meetings of the PSC and the Rulemaking Committee, and proposing procedures for committee composition, duties, and tenure. Ms. Schutter reminded Commission members to complete their Committee Preference forms in advance of the Annual Meeting.

Ms. Schutter provided an update on the Compact third-party litigation matter and reported that the Colorado Supreme Court is now considering the issue of whether the Insurance Compact is a constitutional delegation of authority under the Colorado state constitution. The Colorado Supreme Court has framed the question as "[m]ay the Colorado General Assembly delegate power to an interstate administrative commission to approve insurance policies sold in Colorado under a standard that differs from Colorado statute?".

Ms. Schutter reported that the Insurance Compact Office will conduct an encore presentation of the latest webinar series, initially designed for member regulators, beginning on November 12th. Additionally, the Insurance Compact Office has been facilitating regulator-only webinars in conjunction with company filers for the purpose of discussing Compact-approved products with member states. Ms. Schutter provided an update on the current product filing statistics and reported that 258 companies have registered with the Compact year-to-date, and the total budgeted revenue for 2019 has already been met. Ms. Schutter concluded her report and there were no questions.

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