



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

Monday, May 23, 2016

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

1. Roll Call
2. Report of the Product Standards Committee and Consideration by the Management Committee to Approve the Report of the Product Standards Committee
3. Management Committee Consideration of Approval of the Additional Standards for Guaranteed Living Benefits included in Phase 5 of the Five-Year Review Published on December 9, 2015 (including any Amendments that may be proposed by way of formal motion):
 - Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities
 - Additional Standards for Guaranteed Living Benefits for Individual Deferred Non-Variable Annuities
4. Management Committee Consideration of the Recommendation of the Product Standards Committee to Amend the General War Exclusion Provision in the Exclusion Section of the Uniform Standards for Individual and Group Life Insurance Policies to Remove Section (1)(a)(ii) for Purposes of Clarification
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, May 23, 2016**

Members of the Commission and Department Staff in Attendance:

Commissioner Jacqueline K. Cunningham, Chair, Virginia
Rubén Gely as a designated representative for Commissioner Angela Weyne, Vice Chair, Puerto Rico
Thomas Record as a designated representative for Superintendent Eric A. Cioppa, Maine
Steve Ostlund, Alabama
Mayumi Gabor, Alaska
Steve Manders as a designated representative for Commissioner Ralph T. Hudgens, Georgia
Martha Im, Hawaii
Donna Daniel, Idaho
Douglas Ommen, Iowa
Commissioner James J. Donelon, Louisiana
Nancy Grodin as a designated representative for Commissioner Al Redmer, Jr., Maryland
Sheri Cullen, Massachusetts
Joseph Garcia as a designated representative for Director Patrick M. McPharlin, Michigan
Daniel Bradshaw, Mississippi
Mary Mealer as a designated representative for Director John M. Huff, Missouri
Director Bruce R. Ramage, Nebraska
Brendan Peppard as a designated representative for Acting Commissioner Richard J. Badolato, New Jersey
Cuc Nguyen, Oklahoma
Tashia Sample as a designated representative for Commissioner Laura N. Cali, Oregon
Thomas Kilcoyne, Pennsylvania
Doug Danzeiser as a designated representative for Commissioner David Mattax, Texas
John Carter, Texas
Rachel Bowden, Texas
Tanji Northrup, Utah
Tomasz Serbinowski, Utah
Kaj Samsom, Vermont
Phil Keller, Vermont
Don Beatty, Virginia
Alan Hudina, Washington
Cari Lee as a designated representative for Commissioner Ted Nickel, Wisconsin
Brittany Buss, Wyoming

Members of the Industry Advisory Committee in Attendance:

Steve Kline, National Association of Insurance and Financial Advisors
Amanda Matthiesen, Association of Health Insurance Plans
Joe Muratore, New York Life Insurance Company
Rod Perkins, American Council of Life Insurers
Miriam Krol, American Council of Life Insurers
Wayne Mehlman, American Council of Life Insurers

Members of the Consumer Advisory Committee in Attendance:

Sonja Larkin-Thorne, NAIC Funded Consumer Liaison Representative

Members of the IIPRC Legislative Committee in Attendance:

IIPRC 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

Alice Fontaine, Actuarial Consultant

Karen Givens, Product Reviewer

Anne Marie Narcini, Regulatory Consultant

Maureen Perry, Product Review Consultant

Interested Parties in Attendance:

Craig Hopkins, Pacific Life

Melissa Clines, Nationwide

Ute Luedtke-Ahrens, Zurich American Life Insurance Company

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, the Commission, the Legislative Committee, the Industry Advisory Committee, and the Consumer Advisory Committee. Commissioner Cunningham stated that a roll call vote on each substantive action item would be taken since one or more member of the Commission participated by telephone, as provided in the bylaws.

Commissioner Cunningham proceeded to the first item of the agenda and invited Ms. Mealer to provide the report of the Product Standards Committee. Ms. Mealer stated that since the Joint Meeting of the Management Committee and Commission on April 2, the Product Standards Committee has discussed and finalized recommendations for the Management Committee regarding the *Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities* and the *Additional Standards for Guaranteed Living Benefits for Individual Deferred Non-Variable Annuities* (GLB Uniform Standards). She reported that based on comments received and summarized in a chart included with the meeting materials, the Product Standards Committee suggests that the Management Committee consider amending the language in Scope of both sets of GLB Uniform Standards to clarify that these products do not provide long-term care benefits and cannot be described as long-term care insurance. The Committee also suggested that a provision be added to set a limitation on the extra benefit that is paid based on a qualifying event trigger, to clarify that the benefit is incidental to the annuity benefit provided. Ms. Mealer reported that the Product Standards Committee is currently discussing the *IIPRC Office Report and Recommendation to the Product Standards Committee for the Uniform Standards Currently Subject to Five-Year Review (Phase 6 Long-Term Care Insurance)*. She stated that the Product Standards Committee held a public call on April 12, and has scheduled another public call for June 21 to obtain feedback on recommendations. The Product Standards Committee aims to finalize recommendations for revisions to the Long-Term Care Insurance Uniform Standards to deliver in time for the in-person meeting of the Management Committee and Commission at the end of August. There were no questions for Ms. Mealer or the Committee.

Commissioner Cunningham moved to the next agenda item and requested a motion from a member of the Management Committee to approve the amendments to the two GLB Uniform Standards that were recommended by the Product Standards Committee. Mr. Gely moved, and Ms. Lee seconded. Ms. Schutter then took a voice vote of the Management Committee, and the motion passed. Commissioner Cunningham stated that the full Commission will consider these two amended Uniform Standards for final adoption during a joint teleconference at the end of June.

Commissioner Cunningham continued to the next item on the agenda, Management Committee Consideration of the Recommendation of the Product Standards Committee to Amend the General War Exclusion Provision in the Exclusion Section of the Uniform Standards for Individual and Group Life Insurance Policies to Remove Section (1)(a)(ii) for Purposes of Clarification. Commissioner Cunningham stated that on April 2, the Commission asked the Product Standards Committee to review Section (1)(a)(ii) of the war exclusion provision within the Uniform Standards. The Commissioner invited Ms. Mealer to provide the report of the Product Standards Committee on the war exclusion provision.

Ms. Mealer stated that the Product Standards Committee developed an amendment to delete Section (1)(a)(ii) of the war exclusion provision as requested by Connecticut Commissioner Wade, which would clarify that the remaining provision in Section (1)(a)(i) prohibits a company from excluding death as a result of war or any act related to military service if the proposed insured represents at the time of application that he or she is a member of the military, military reserves, or the National Guard. She reported that the Committee allowed time for written public comment and for oral comment during the April 12 public call, but did not receive any public comments. The Product Standards Committee is recommending the deletion of Section (1)(a)(ii) to eliminate any possible confusion and to clarify that the affected Uniform Standards do not permit a death benefit exclusion for known members of the military who die as a result of any act related to military service. The Committee also recommends adding the term “United States” to Section (1)(a)(i) to clarify that this prohibited war exclusion only applies to the United States military, military reserves or the National Guard, and not members of the military of another nation. Ms. Mealer concluded her report and asked if there were any questions.

Mr. Record asked if the limitation to members of the United States military, as opposed to other countries, was opposed by Connecticut. Ms. Mealer noted that the Product Standards Committee received no comments from Connecticut, and Ms. Schutter stated that Connecticut statute is limited to members of the United States Armed Services. Hearing no other questions, Commissioner Cunningham requested a motion to approve the report and recommendation of the Product Standards Committee. Mr. Record moved and Mr. Peppard seconded. Ms. Schutter then took a voice vote for to accept the report and proposal of the Product Standards Committee and to publish this recommendation for a sixty-day notice and comment period. The motion carried. Commissioner Cunningham noted that the amendments will be posted on the Docket for a 60-day comment period before the Commission considers the amendment for final action.

Commissioner Cunningham then asked Ms. Schutter to provide the Operational Update. Ms. Schutter stated that on May 4, 2016, the Connecticut General Assembly passed the Compact legislation in House Bill 5051. She stated that the bill is waiting to be signed into law by Connecticut Governor Malloy. Once the Governor has signed the bill, the legislation will become effective on July 1, 2017. Ms. Schutter stated that IIPRC Office is facilitating two focus groups for company filers and for regulators, and invited any interested parties to submit an application to the IIPRC Office. She stated that Group Disability Income Insurance Uniform Standards become effective on June 8, except in Montana and Wyoming, which have temporary stays in place as each state pursues regulation to opt out. She reported that there will be a Joint Meeting of the Management Committee and the Commission on June 29 via teleconference, and the next in-person meeting will take place the afternoon of Thursday, August 25. She also noted that the IIPRC has 190 companies registered to date in 2016, which is a record number at this point in the year. This is the same number of companies registered in all of 2014, and in 2015 the Compact did not reach 190 registered companies until October. She stated that as of May, the average review time is 22 review days and that the Compact is on budget in terms of expected revenue and budgeted expenses. Ms. Schutter concluded her remarks and there were no further questions.

There were no further matters. Mr. Peppard moved to adjourn, and the meeting was adjourned.