



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

Wednesday, June 29, 2016

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

1. Roll Call
2. Public Hearing on the War Exclusion Amendments Published in May
3. Commission Consideration of Adoption of Uniform Standards listed under Phase 5 of the Five-Year Review as Approved by the Management Committee on May 23rd
 - a. [Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities](#)
 - b. [Additional Standards for Guaranteed Living Benefits for Individual Deferred Non-Variable Annuities](#)
4. Report of the Communications Committee and Consideration by the Management Committee to Approve the Report of the Communications Committee
5. Report of the Product Standards Committee and Consideration by the Management Committee to Approve the Report of the Product Standards Committee
6. Management Committee and Commission Consideration of Adoption of Meeting Minutes of the April 2nd Joint Meeting of the Management Committee and Commission
7. Management Committee Consideration of Approval of Meeting Minutes of the May 23rd Meeting of the Management Committee
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
Wednesday, June 29, 2016**

Members of the Commission and Department Staff in Attendance:

Commissioner Jacqueline K. Cunningham, Chair, Virginia
Don Beatty, Virginia
Commissioner Angela Weyne, Vice Chair, Puerto Rico
Rubén Gely Rodriguez, Puerto Rico
Superintendent Eric A. Cioppa, Treasurer, Maine
Steve Ostlund as a designated representative for Commissioner Jim L. Ridling, Alabama
Mayumi Gabor as a designated representative for Director Lori K. Wing-Heier, Alaska
Erin Klug as a designated representative for Interim Director Leslie R. Hess, Arizona
Bill Lacy as a designated representative for Commissioner Allen W. Kerr, Arkansas
Steve Manders as a designated representative for Commissioner Ralph T. Hudgens, Georgia
Kathleen Nakasone as a designated representative for Commissioner Gordon I. Ito, Hawaii
Martha Im, Hawaii
Donna Daniel as a designated representative for Director Dean L. Cameron, Idaho
Paulette Dove as a designated representative for Acting Director Anne Melissa Dowling, Illinois
Mike Chrysler, Illinois
Kate Kixmiller as a designated representative for Commissioner Stephen W. Robertson, Indiana
Mihir Nag, Indiana
Douglas Ommen as a designated representative for Commissioner Nick Gerhart, Iowa
Julie Holmes as a designated representative for Commissioner Ken Selzer, Kansas
Commissioner James J. Donelon, Louisiana
Commissioner Al Redmer, Jr., Maryland
Sheri Cullen as a designated representative for Commissioner Daniel R. Judson, Massachusetts
Joseph Garcia as a designated representative for Director Patrick M. McPharlin, Michigan
Tammy Lohmann as a designated representative for Commissioner Mike Rothman, Minnesota
Bob Williams as a designated representative for Commissioner Mike Chaney, Mississippi
Daniel Bradshaw, Mississippi
Mary Mealer as a designated representative for Director John M. Huff, Missouri
Richard Hersey as a designated representative for Commissioner Monica J. Lindeen, Montana
Steve Hess, Montana
Director Bruce R. Ramage, Nebraska
Sonja Barker as a designated representative for Commissioner Roger A. Sevigny, New Hampshire
Commissioner Richard J. Badolato, New Jersey
Terry Seaton, New Mexico
Ted Hamby as a designated representative for Commissioner Wayne Goodwin, North Carolina
Jillian Froment as a designated representative for Lt. Governor-Director Mary Taylor, Ohio
Cuc Nguyen as a designated representative for Commissioner John D. Doak, Oklahoma
Tashia Sample as a designated representative for Commissioner Laura N. Cali, Oregon
Thomas Kilcoyne as a designated representative for Commissioner Teresa D. Miller, Pennsylvania
Superintendent Elizabeth Kelleher Dwyer, Rhode Island
Matthew Gendron, Rhode Island
Sarah Neil, Rhode Island

Chlora Lindley-Myers as a designated representative for Commissioner Julie Mix McPeak, Tennessee
Doug Danzeiser as a designated representative for Commissioner David Mattax, Texas
John Carter, Texas
Tanji Northrup as a designated representative for Commissioner Todd E. Kiser, Utah
Tomasz Serbinowski, Utah
Kaj Samsom as a designated representative for Commissioner Susan L. Donegan, Vermont
Alan Hudina as a designated representative for Commissioner Mike Kreidler, Washington
Jeanette Plitt, Washington
John Haworth, Washington
Commissioner Michael D. Riley, West Virginia
Bill Adamson, West Virginia
Angela DaSilveira , West Virginia
Cari Lee as a designated representative for Commissioner Ted Nickel, Wisconsin
Sue Ezalarab, Wisconsin
Brittany Buss as a designated representative for Commissioner Tom Glause, Wyoming

Members of the Industry Advisory Committee in Attendance:

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

Members of the Consumer Advisory Committee in Attendance:

Sonja Larkin-Thorne, NAIC Funded Consumer Liaison Representative
Fred Nepple, Consumer Liaison Representative

IIPRC Staff in Attendance:

Karen Schutter, Executive Director
Becky McElduff, Assistant Director of Product Operations and Counsel
Sara Dubsy, Senior Operations Manager
Mindy Bradford, Product Reviewer
Jeanne Daharsh, Actuary
Alice Fontaine, Actuarial Consultant
Karen Givens, Product Reviewer
Anne Marie Narcini, Regulatory Consultant
Maureen Perry, Product Review Consultant

Interested Parties in Attendance:

Mary Ellen Breault, Connecticut
Paul Lombardo, Connecticut

Melissa Clines, Nationwide Financial
Amanda Herrington, America's Health Insurance Plans
Elizabeth Lindsay, VOYA Financial
Julia Weber, State Farm
Scott Zweig, The Phoenix Companies

Commissioner Cunningham called to order the Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission (Commission). Ms. Schutter took the roll call of the Management Committee, the Commission, the Legislative Committee, and the Industry and Consumer Advisory Committees. Commissioner Cunningham stated that, as provided in the bylaws, when one or more member of the Commission participates by telephone, a roll call vote on each substantive action item would be taken.

Commissioner Cunningham announced that Connecticut enacted the Compact legislation with an effective date of July 1, 2017. Proceeding to the second item of the agenda, a public hearing on the proposed War Exclusion Amendments to certain life Uniform Standards published on May 31st, Commissioner Cunningham stated that written comments on the proposed amendments may be submitted to the Insurance Compact Office until August 1st. Commissioner Cunningham noted that to date, no written comments have been received. The Commissioner stated that this conference call is the opportunity to provide oral comments for the Commission's consideration. Commissioner Cunningham noted that the amendments are the result of a consideration process initiated by a request from the Connecticut Department of Insurance to clarify the war exclusion provision in the Uniform Standards for the life product lines. At the Joint Meeting of the Management Committee and Commission on April 2nd, the Commission asked the Product Standards Committee to review Section (1)(a)(ii) of the War Exclusion provision within the life Uniform Standards and provide feedback. On May 23rd, the Product Standards Committee recommended amendments to the general war exclusion provision within the life Uniform Standards to the Management Committee. The Product Standards Committee recommended the deletion of Section (1)(a)(ii) to eliminate confusion and clarify that the Uniform Standards do not permit a death benefit exclusion for known members of the military that die as a result of any act related to military service, and the addition of the term "United States" to Section (1)(a)(i) to clarify that this prohibited war exclusion only applies to members of the United States military, military reserves or the National Guard, and not members of the military of another nation. Commissioner Cunningham opened the public hearing. There were no comments from the members of the Commission, the Legislative Committee, the Consumer Advisory Committee, the Industry Advisory Committee, or interested parties. As there were no comments or questions, Commissioner Cunningham concluded the public hearing on the amendments to Uniform Standards, and noted that these amendments will likely be ready for consideration of adoption during the August 25th meeting in San Diego, CA.

Commissioner Cunningham proceeded to the next item on the agenda and asked for a motion to adopt the amendments to 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*. Mr. Ostlund moved and Commissioner Redmer seconded. There was no further discussion. Commissioner Cunningham stated that a two-third supermajority vote in favor is required by the Compact Statute and Bylaws, and asked Ms. Schutter to call the roll. The motion carried. Commissioner Cunningham stated that the Amendments to the Uniform Standards have been adopted, and would be promulgated in approximately ten days, after which they will become effective in ninety days for purposes of accepting product filings. She noted that this was expected to be in mid-October.

For the next agenda item, Commissioner Cunningham asked Ms. Lee to provide the report of the Communications Committee. Ms. Lee reported that the IIPRC Office has met with regulators and company contacts via Focus Groups at the direction of the Communications Committee. She stated that the Communications Committee intends to make recommendations resulting from the Focus Group feedback to the Management Committee at the August 25th meeting. Ms. Lee concluded the report of the Communications Committee and there were no further questions. Commissioner Cunningham recommended that the Commission proceed to the next agenda item and hear the report of the Product Standards Committee, and consider the approval of the Communications and Product Standards Committee reports in a single motion. There were no objections.

Commissioner Cunningham then invited Ms. Mealer to provide the report of the Product Standards Committee. Ms. Mealer reported that the Product Standards Committee is discussing the Individual Long-Term Care Uniform Standards currently under Five-Year Review. To date, the Committee has held two public calls to receive feedback on the recommendations under consideration on April 12th and June 21st. She stated that the Product Standards Committee also referred several suggested amendments related to the Long-term Care Insurance Rate Standards to the Actuarial Working Group for their input and recommendations, and noted that the Committee's goal is to finalize recommendations to the Management Committee on revisions to the Long-Term Care Insurance Uniform Standards in time for the August 25th in-person meeting. Ms. Mealer concluded her report and there were no further questions. Commissioner Cunningham requested a motion from a member of the Management Committee to adopt the Reports of the Communications and Product Standards Committees. Mr. Garcia moved and Ms. Nguyen seconded. There was no further discussion, and the motion carried via voice vote.

Commissioner Cunningham moved to the next agenda item and asked Ms. Schutter to provide the operational update. Ms. Schutter stated that the next Joint Meeting of the Management Committee and Commission would take place at 12:30 p.m. in San Diego, CA, with conference call capabilities. She announced that the Insurance Compact would be celebrating the 10th anniversary of the Compact Commission at the meeting. Ms. Schutter reported that the Group Disability Income Insurance Uniform Standards became effective on June 8th, and the *Additional Standards for Market Value Adjustment Feature Provided through the General Account* and the *Additional Standards for Market Value Adjustment Feature Provided through a Separate Account* will become effective on July 18th. She stated that 2016 annual registration fees would be prorated beginning on July 1st. Ms. Schutter welcomed Connecticut to the Insurance Compact and noted that although the legislation would not become effective until July 1, 2017, Connecticut will have a place at the table at future meetings. She reported that the number of registered companies is up, and that the Insurance Compact has seen \$1.2 million in revenue through the end of May, compared with \$1 million at the same time last year. She stated that this is partially attributable to the fee increase, but that it is indicative of a strong year. To end her report, Ms. Schutter emphasized that the Insurance Compact hopes to hear feedback from more member regulators and invited them to participate in the remaining regulator Focus Group sessions. There were no further questions.

As there were no other matters, Commissioner Badolato moved to adjourn. Commissioner Donelon seconded and the meeting was adjourned.