



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

**Thursday, November 9, 2023
3 pm ET / 2 pm CT / 1 pm MT / 12 pm PT**

WebEx

Agenda

1. **Roll Call**
2. **Public Hearing on the Proposed 2024 Annual Budget and the Proposed 2024 Uniform Standards Development Prioritization List**

EXPLANATION: Commissioner Birrane as Chair of the Commission has received the proposed recommendations from the Finance Committee and Product Standards Committee and has authorized each recommendation be published for public notice in advance of the November 9th meeting. The Management Committee will hear the report and recommendation on the proposed budget from the Finance Committee, from the Product Standards Committee on its proposed 2024 priorities, and will conduct a public hearing to receive comments from members and any interested party on these items.

- **2024 Draft Annual Budget**
 - **2024 Budget Memo**
 - **2024 Draft Schedule of Fees (NO fee increase proposed)**
 - **PSC Draft Recommendation for Prioritization of Uniform Standards Development for 2024**
3. **Public Hearing on the Insurance Compact's Rulemaking Rule to address Incorporation by Reference**

EXPLANATION: The Management Committee will conduct a public hearing on the proposed amendments to the Insurance Compact's Rulemaking Rule - Rule for Adoption, Amendment and Repeal of Rules for the Interstate Insurance Product Regulation Commission. The proposed amendments were published to the Docket page of the compact website on September 6, 2023. Written comments are due on Tuesday, November 7th.

- **Amendments to the Rule for Adoption, Amendment and Repeal of Rules for the Interstate Insurance Product Regulation Commission**

4. Public Hearing on the Group Whole Life Uniform Standards for Employer Groups

EXPLANATION: The Management Committee will conduct a public hearing on the proposed Uniform Standards. The Uniform Standards were published to the Docket page of the compact website on September 5, 2023. Written comments are due on Tuesday, November 7th.

5. Review Comments on the Group Annuity Amendments

EXPLANATION: The Management Committee published amendments to the Single Premium Group Fixed Annuity Contract Standards for Employer Groups on June 29, 2023. Comments were submitted by the [ACLI on September 5, 2023](#).

6. Management Committee Consideration of Appointment to the Consumer Advisory Committee

EXPLANATION: The action item is to consider the recommendation of the Compact Officers for appointment to an open seat on the Consumer Advisory Committee.

7. Any Other Matters

8. Adjourn

Members of the Commission and Department Staff in Attendance:

Commissioner Kathleen Birrane, Chair, Maryland
Commissioner Allan McVey, Treasurer, West Virginia
Yada Horace, Alabama
Sharon Comstock, Alaska
Jimmy Harris, Arkansas
CEO Barbara Richardson, Arizona
Jason Lapham, Colorado
Jessica Luff, Delaware
Shannon Hohl, Idaho
Craig Van Aalst, Kansas
Sherri Cullen, Massachusetts
Stephanie Francis as a designated representative for Director Anita G. Fox, Michigan
Tammy Lohman as a designated representative for Commissioner Grace Arnold, Minnesota
Jo LeDuc, Missouri
Adam Clayton, Nebraska
Commissioner Scott Kipper, Nevada
Victoria Fowler, New Hampshire
Daniel Bradford as a designated representative for Director Judith French, Ohio
Kurt Cagle, Oklahoma
Shannen Logue as a designated representative for Commissioner Michael Humphreys, Pennsylvania
Matt Gendron as a designated representative for Superintendent Beth Dwyer, Rhode Island
Debra Diaz-Lara as a designated representative for Commissioner Cassie Brown, Texas
Commissioner Jonathan Pike, Utah
Mary Block, Vermont
Ned Gaines, Washington
Commissioner Nathan Houdek, Wisconsin
Commissioner Jeff Rude, Wyoming

Consumer Advisory Committee:

Fred Nepple, Retired Insurance Regulator
Deb Darcy, American Kidney Fund

Industry Advisory Committee:

Eric Weinstein, Massachusetts Mutual Life Insurance Company
Wayne Mehlman, ACLI
Roger Moore, NAIFA
Sarah Wood, IRI

Insurance Compact Staff in Attendance:

Karen Schutter, Executive Director
Becky McElduff, Director of Product Operations & Chief Counsel
Sara Dubsy, Assistant Director of Administrative Operations
Karen Givens, Assistant Director of Product Review Operations

Joe Bonfitto, Product Reviewer
Ed Charbonnier, Product Reviewer
Susan Ezalarab, Regulatory Coordinator Consultant
Naomi Kloeppersmith, Actuary
Aimee Lawson, Product Filing Specialist
Mindy Bradford, Product Reviewer III
Sarah Neil, Communications and Outreach Coordinator
Alisha Williams, Intake Coordinator
Rachael Morisseau, Project Coordinator

Commissioner Birrane called to order the meeting of the Management Committee. Ms. Schutter took the roll call of the Management Committee, the members of the Commission, Legislative Committee, and Industry and Consumer Advisory Committees.

Commissioner Birrane moved to the first item on the agenda, the Public Hearing on Proposed 2024 Annual Budget, and the Proposed 2024 Uniform Standards Development Prioritization List. Commissioner Birrane called on Commissioner Allan McVey of West Virginia, chair of the Finance Committee, to provide the committee with their recommendations. Commissioner McVey stated the Finance Committee has submitted to the Management Committee for consideration and recommendation the comprehensive budget for 2024, draft annual budget resource request memo, and schedule of fees. Commissioner McVey provided the committee with an update of the financials through the end of September 2023. The Finance Committee held a public call on September 27th to receive comments on their proposals, and there were no public comments. Commissioner McVey asked Ms. Schutter to provide the committee with an overview of the budget recommendation. Ms. Schutter provided a synopsis of the budget package, of which revenue is comprised of filing fees, annual registrations, and interest income. Ms. Schutter stated that the Compact is putting in place a framework to accept filings for non-employer group which is expected to generate additional revenue next year. At the closing of her report, Ms. Schutter stated that she would be happy to answer any questions. Commissioner McVey thanked Ms. Schutter for her overview and concluded his report. Commissioner Birrane asked if there were any additional questions from the committee. Hearing no questions, Commissioner Birrane moved onto the next item which was the Product Standards Committee (PSC) Draft Recommendation for Prioritization of Uniform Standards Development for 2024.

Commissioner Birrane asked the chair of the PSC to provide their recommendations. Mr. Lapham gave an overview of the process of how the PSC conducts the annual identification and prioritization for the development of Uniform Standards. Mr. Lapham elaborated that the PSC begins the process annually on July 1st by looking at the items on their identification list from the year prior to aid in the development of a Prioritization Recommendation for the Uniform Standards for the upcoming year. Mr. Lapham noted how the process has similarities to the budget process. The PSC held two public calls, one for consideration at the beginning of the process and the latter to finalize the committee's recommendation. The PSC referred its recommendation to the Management Committee for its consideration at the annual meeting in Orlando. The new standards are for standalone accidental death benefit and standalone accidental death and dismemberment; standards for value added services which are non-insurance benefits; and standards for incidental

or ancillary benefits. Mr. Lapham concluded his report. Commissioner Birrane asked if there were any comments. Mr. Mehlman thanked Mr. Lapham and the PSC for adding their suggestions to the prioritization list for the upcoming year. Commissioner Birrane thanked Mr. Mehlman for his comment and informed the committee that the budget and the prioritization list will be on the agenda for final action at the Orlando meeting. Commissioner Birrane instructed participants to submit all written comments to the Compact Office by December 1st.

Commissioner Birrane proceeded to the second agenda item, Public Hearing on the Rulemaking Rule to address Incorporation by Reference. Commissioner Birrane asked Ms. Schutter to provide an overview of the proposed amendment. Ms. Schutter provided the overview of the processes initiated by the chair of the Rulemaking Committee, Commissioner Pike. The Rulemaking Committee was asked to develop a procedure that could be utilized within the Compact Operating Procedures to address the amendment to any model rules and laws and regulations incorporated by reference into the Uniform Standards. In 2020, Model 805 was amended, and the Uniform Standards were written in such a way that the amendment would have had an automatic and immediate effect. That caused concern for the Compacting states where a change in the Uniform Standard would become effective before state legislatures had a chance to adopt it and the Compact had to go through emergency rulemaking to address the change to the incorporated material. The Rulemaking Committee had two meetings, public and regulator, prior to recommendation being made during the Seattle meeting. A written comment was received from the Idaho Department of Insurance. Commissioner Birrane asked if there were any additional comments from the Compacting states before asking Idaho to speak on their written comments and proposed changes. Ms. Hohl briefly spoke about their submitted comments and suggestions. Commissioner Birrane asked if there were any questions for Idaho regarding their position and suggestions. Hearing none, Commissioner Birrane concluded the public hearing on the amendment to the Rulemaking Rule. Commissioner Birrane stated that the Management Committee and Committee will consider Idaho's comments and the adoption of the amendments for Incorporation by Reference to the Rulemaking Rule during the Orlando Meeting on December 3rd.

Commissioner Birrane moved to the third item on the agenda, Public Hearing on the Group Whole Life Uniform Standards for Employer Groups. She noted that this is an action item for the Orlando meeting. Commissioner Birrane went on to state that at the Seattle Meeting, the Management Committee received these recommendations and written comments were due November 7th. She asked Ms. Schutter to provide the committee with an overview. Ms. Schutter provided a brief overview stating that the subgroup of the PSC started drafting these standards in October 2022. In March after receiving these standards from the subgroup, the PSC held three public calls and at the Seattle meeting in August, recommended them to the Management Committee to initiate the rulemaking process. Written comments were due to the Compact by November 7th. No written comments were received. Commissioner Birrane thanked Ms. Schutter for her overview and asked if there were any comments or questions about the Group Whole Life Uniform Standards for Employer Groups. Mr. Mehlman thanked the subgroup and the PSC for their work in drafting the Group Whole Life Standards which were requested by ACLI members. Not hearing or seeing any other comments or questions, Commissioner Birrane concluded the public hearing on the Group Whole Life Uniform Standards for Employer Groups and stated that the standards will be ready for adoption by the Management Committee and Commission at the in-person meeting on December 3rd.

Commissioner Birrane moved to the fourth item on the agenda, Review Comments on the Group Annuity Amendments. Commissioner Birrane provided background information on the Single Group Fixed Annuity Contract Standard that was adopted in January 2020. After its adoption, an issue was identified with the scope which limited application of the standard to pension risk transfer contracts. The Compact brought that to the attention of the PSC, which suggested that it be amended before accepting those types of contracts. The PSC added it to the 2023 prioritization list and presented it to the Management Committee at its interim meeting in June with comments to be submitted to the Compact Office by September 5th. A comment letter was received from ACLI. Commissioner Birrane asked Mr. Mehlman to address the committee. Mr. Mehlman stated that ACLI would like to withdraw its comments. ACLI was informed that after they submitted their suggested edits to the amended standards, the Uniform Standards already cover the concerns their edits were intended to address. Commissioner Birrane accepted the withdrawal of comments by ACLI and noted that the standard would also be ready for adoption at the in-person Orlando meeting on December 3rd.

Commissioner Birrane moved to the fifth item on the agenda, Management Committee Consideration of Appointment to the Consumer Advisory Committee. Commissioner Birrane stated the action item is to appoint Richard Weber to one of the two open seats on the Consumer Advisory Committee. Commissioner Birrane provided the committee with an overview of Mr. Weber's background. Mr. Bridgeland, a member of the Consumer Advisory Committee, nominated and recommended Mr. Weber for the open seat. Commissioner Birrane asked for a motion to accept the appointment of Mr. Weber to one of the two open seats. West Virginia made the motion, which was seconded by Arizona. Hearing no comments or questions, the motion was carried to confirm Mr. Weber's appointment to the Consumer Advisory Committee.

Commissioner Birrane proceeded to the last item on the agenda, Any Other Matters. Hearing no other matters, Commissioner Birrane closed the meeting with a reminder to everyone that the Joint Meeting of the Management Committee and Commission will be Sunday, December 3rd in Orlando.

Commissioner Birrane asked if there was a motion to adjourn. Ms. Logue made a motion to adjourn, which was seconded by Commissioner Rude.