



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

**Thursday, August 15, 2024
3 pm ET / 2 pm CT / 1 pm MT / 12 pm PT**

AGENDA

1. **Roll Call**
2. **Public Hearing on Certain Uniform Standards:** Conduct a public hearing for the proposed amendments to the listed Uniform Standards.
3. **Management Committee and Commission Consideration of Adoption of Amendments to Certain Individual Annuity Benefit Feature Uniform Standards:** Consider for final action the proposed amendments to certain individual annuity benefit feature standards to expand their scope for use with the *Standards for Individual Deferred Index Linked Variable Annuity Contracts (Commonly Marketed as Registered Index Linked Annuities)*.
4. **Report of the Adjunct Services Committee:** Receive a report from the Adjunct Services Committee.
5. **Report of the Finance Committee:** Receive a report from the Finance Committee.
6. **Officers Report on and Receive Comments on the Proposed Amendments to the Compact Bylaws:** The Commission will review proposed amendments to the Compact Bylaws regarding the Most Recent Past Chair position.
7. **Commission Review and Discussion of Proposed Strategic Action Items for New Three-Year Strategic Plan**
8. **Consent Agenda:** Joint Action Item by the Management Committee and Commission to Adopt the Reports of the Committees, and the Meeting Minutes from the July 24, 2024 Joint Meeting of the Management Committee.
9. **Executive Director's Operational Report**
10. **Any Other Matters**
11. **Adjourn**

Members of the Commission and Department Staff in Attendance:

Director Eric Dunning, Chair, Nebraska

Commissioner Allan McVey, Vice Chair, West Virginia

Cabinet Executive Officer Barbara Richardson, Treasurer, Arizona

Director Elizabeth Kelleher Dwyer, Past President, Rhode Island

Commissioner Mark Fowler, Alabama

Director Lori Wing-Heier, Alaska

Jimmy Harris as a designated representative for Commissioner Alan McClain, Arkansas

Sydney Sloan as a designated representative for Commissioner Michael Conway, Colorado

Paul Lombardo as a designated representative for Commissioner Andrew Mais, Connecticut

Jessica Luff as a designated representative for Commissioner Trinidad Navarro, Delaware

Steve Manders as a designated representative for Commissioner John King, Georgia

Kathleen Nakasone as a designated representative for Commissioner Gordon Ito, Hawaii

Director Dean Cameron, Idaho

Jeff Varga as a designated representative for Acting Director Ann Gillespie, Illinois

Victoria Hastings as a designated representative for Commissioner Amy Beard, Indiana

Commissioner Doug Ommen, Iowa

Andria Seip, Iowa

Julie Holmes as a designated representative for Commissioner Vicki Schmidt, Kansas

Commissioner Sharon Clark, Kentucky

Tom Travis as a designated representative for Commissioner Tim Temple, Louisiana

Tim Schott as a designated representative for Superintendent Bob Carey, Maine

Nour Benchaaboun as a designated representative for Acting Commissioner Joy Hatchette, Maryland

Sheri Cullen as a designated representative for Acting Commissioner Kevin P. Beagan, Massachusetts

Tammy Lohmann as a designated representative for Commissioner Grace Arnold, Minnesota

Jo LeDuc as a designated representative for Director Chlora Lindley-Myers, Missouri

Bob Williams as a designated representative for Commissioner Mike Chaney, Mississippi

Adam Clayton, Nebraska

Commissioner Scott Kipper, Nevada

Victoria Fowler as a designated representative for Commissioner D.J. Bettencourt, New Hampshire

Acting Commissioner Justin Zimmerman, New Jersey

Ted Hamby as a designated representative for Commissioner Mike Causey, North Carolina

John Arnold as a designated representative for Commissioner Jon Godfread, North Dakota

Dan Bradford as a designated representative for Director Judith French, Ohio

Commissioner Glen Mulready, Oklahoma

Alex Cheng as a designated representative for Commissioner Andrew Stolfi, Oregon

Shannen Logue as a designated representative for Commissioner Michael Humphreys, Pennsylvania

Director Larry Deiter, South Dakota

Stephanie Cope as a designated representative for Commissioner Carter Lawrence, Tennessee

Latif Almazan as a designated representative for Commissioner Cassie A. Brown, Texas

Commissioner Jon Pike, Utah

Commissioner Kevin Gaffney, Vermont

Mary Block, Vermont

Mary Ashby Brown as a designated representative for Commissioner Scott A. White, Virginia

Ned Gaines as a designated representative for Commissioner Mike Kreidler, Washington

Commissioner Nathan Houdek, Wisconsin

Rebecca Rebholz, Wisconsin

Commissioner Jeff Rude, Wyoming

Legislative Committee:

Representative Matt Lehman, Indiana
Representative Brian Patrick Kennedy, Rhode Island
Representative James Dunnigan, Utah
Senator Laura Fine, Illinois
Representative Rachel Roberts, Kentucky

Consumer Advisory Committee:

Brendan Bridgeland
Jane Cline
Deb Darcy
Fred Nepple
Dick Weber

Industry Advisory Committee:

Andrea Davey, Protective Life Insurance Company
Amanda Herrington, AHIP
Wayne Mehlman, ACLI
Joe Muratore, New York Life Insurance Company
Sarah Wood, IRI

Insurance Compact Staff in Attendance:

Karen Schutter, Executive Director
Becky McElduff, Director of Product Review Operations & Counsel
Sara Dubsy, Assistant Director of Administrative Operations
Ed Charbonnier, Senior Product Reviewer & Manager
Sue Ezalarab, Consultant
Karen Givens, Assistant Director of Product Review Operations
Naomi Kloeppersmith, Actuary Reviewer III
Sarah Neil, Communications and Outreach Coordinator
Jenny Sieben, Product Reviewer

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

Director Dunning recognized the new Commissioners who have been appointed since the last meeting. Director Dunning welcomed Director Deiter to the table as the newest member of the Compact. Director Dunning welcomed the state legislators attending the meeting and asked if Representative Kennedy had any remarks as the Vice Chair of the Legislative Committee. Representative Kennedy thanked the Commissioners for their continued work with the Compact and welcomed Director Deiter to the table.

Director Dunning proceeded to the next item on the Agenda, a public hearing on certain amendments to Uniform Standards. Director Dunning explained there were 10 Uniform Standards for Group Term life and then nine for Group Whole life being amended to expand the scope to accommodate non-employer groups.

It was noted the amendments were published for a 60-day comment period on June 3, 2023 and written comments were due on August 5, 2023. No comments have been received.

Director Dunning noted the Commission would also accept comments on amendments to certain annuity benefit features Uniform Standards. The proposed amendments were to accommodate index linked variable annuity products. It was noted there was a scrivener's error in the versions published for a 60-day comment in March. The comment period was extended for those standards in an abundance of caution. The amendments were subject to a 60-day written comment period and a public hearing; no comments were received either in writing or orally.

Hearing no questions or comments, Director Dunning opened the public hearing for any comments on the Group Standards and the annuity benefit features. Hearing no comments, the public hearing was concluded.

Director Dunning moved to the next item on the Agenda, the adoption of the amendments to certain individual annuity benefit feature Uniform Standards. The Uniform Standards considered for adoption are: Additional Standards for Index-Linked Crediting feature for Deferred Non-Variable Annuities and the General Account Portion of Individual Deferred Variable Annuity Contracts; Additional Standards for Bonus Benefits (for Individual Deferred Non-Variable Annuities); Additional Standards for Market Value Adjustment Feature Provided Through the General Account; Additional Standards for Bonus Benefits for Individual Deferred Variable Annuity Contracts; Additional Standards for Guaranteed Minimum Death Benefits for Individual Deferred Variable Annuities; Additional Standards for Waiver of Surrender Charge Benefit; and Additional Standards for Guaranteed Living Benefits for Individual Deferred Variable Annuities. There were no questions or comments. Director Dunning asked for a motion from a member of the Management Committee to adopt the aforementioned amendments to certain annuity benefit feature Uniform Standards. Commissioner McVey made the motion and Mr. Benchaaboun seconded the motion. A roll call vote was conducted. The motion carried. Oregon abstained.

Director Dunning progressed to the next item on the Agenda, the report from the Adjunct Services Committee. Director Dunning asked Cabinet Officer Richardson to provide the report. Cabinet Officer Richardson reported the Adjunct Services Committee was formed to consider ideas generated through the Compact Roundtables and other strategic discussions. The Committee has held three regulator-only calls since May to focus on its workstreams. The first workstream is for the regulators to have a better understanding of the regulatory review platform and expertise at the Compact Office through education and training sessions. The Adjunct Services Committee has asked the Compact Office to develop and execute training programs for regulators. The other workstreams focused on what areas of product regulation can the Compact platform facilitate in terms of collaboration and advisory guidance. At the Roundtable held in May in the District of Columbia, both regulators and companies expressed the desire to pilot some of these collaboration ideas. The consensus was to pilot a framework for adjunct services using the Compact platform and their expertise to collaboratively review products or features that are currently outside the scope of the Uniform Standards. As a starting point, the Compact Office shared with the members the types of regulatory compliance issues that arise in the Compact review process. The Committee has surveyed the states to gather

information on the types of questions and processes they follow when a company approaches them with a novel product idea or benefit feature. Next on the Agenda is to discuss what would be the steps in a pilot process to bring states together through the Compact structure to increase the efficiency of reviewing innovative products and possibly streamline the development of applicable Uniform Standards. Cabinet Officer Richardson encouraged all states to have someone participating in the work of this Committee even if your state is not one of the 20 members on the Committee. Cabinet Officer Richardson recognized Deputy Commissioner Logue of Pennsylvania who has been a thought leader in envisioning how this process could benefit Compacting States. Cabinet Officer Richardson noted the next regulator-only call will take place later in August. We will send this notice to all Compacting States and encourage each state to have someone attend. We expect to start having public calls to provide input into this framework in September and leading up to the next Compact Roundtable on the morning of Wednesday, October 30th in Omaha. Cabinet Officer Richardson concluded the report. Hearing no questions or comments, Director Dunning noted no action was required for this report.

Director Dunning proceeded to the report of the Finance Committee and asked Commissioner McVey to provide the report of the Finance Committee. Commissioner McVey reported the Finance Committee is working with the Compact Office on the proposed annual budget for 2025. Commissioner McVey explained the Compact has earned over \$2.2 million in revenues and have incurred expenses of just under \$1.6 million through the end of June. The Compact is more than 10% under budgeted revenues to date. Commissioner McVey noted the Compact Office and Finance Committee are reviewing whether tweaks need to be made to the way the Compact collects filing fees. It is likely the Finance Committee will not recommend an increase in existing filing fees but may clarify what is a “Product” in terms of assessing Compact filing fees. What the Compact Office has found is there are an increasing number of filings that have several specification pages or actuarial memoranda that are now being counted as one Product but are likely multiple product versions. These filings take more time to review. Commissioner McVey reported the Committee is reviewing whether the Compact’s filing fee rule needs to be amended to better align with the value provided with the fees collected by the Compact. We are also considering a new fee for certain pre-filing communications that involve in-depth discussions and time with respect to feedback on the application of the Uniform Standards to product concepts or forms. Commissioner McVey stated the Finance Committee will expose an initial draft budget in mid-September and will accept comments before recommending to the Management Committee at the end of next month. Hearing no questions or comments, Director Dunning noted no action was required for this report.

Director Dunning continued to the next item on the Agenda, a review of the proposed amendments to the Compact Bylaws. Director Dunning explained upon Commissioner Birrane’s departure it was discovered an amendment to the Bylaws would be required regarding the Past Chair position. The proposed amendments are to article four, section 1 and section 2.D. The current definition is the person who served as Chair for the term immediately prior to the current Chair. The proposed amendments change the position to the member who most recently served as Chair. The purpose of the amendments is to avoid loss of continuity if the Chair leaves as the chief insurance regulator. Director Dunning noted the amendments lift the one-year limit on the

past chair term. Hearing no questions or comments, Director Dunning proceeded to the next item on the Agenda.

Director Dunning started the discussion on the proposed strategic action items for the new three-year strategic plan. He explained the Officers asked the Office to interview the Commission members and their teams along with the members of the Legislative Committee and the Consumer Advisory and Industry Advisory Committees. The information gathered during this process was used to develop the initial action items. Last August, the members of the Commission reaffirmed the three priorities from the strategic plan adopted by the Commission in 2019. Director Dunning asked Ms. Schutter to review the action items under Priority One. Mr. Bridgeland noted it is important to remember one of the original mission statements which was to create strong national standards for the benefit of the consumers.

Ms. Schutter reviewed the proposed action items under Priority Two. Mr. Cheng asked for clarification regarding the appeal of decisions made by the Compact Staff. Ms. LeDuc noted Missouri would be in favor of ways for the Compact to provide additional services to the states to assist with staffing shortages. Therefore, would like to recommend this item be moved up in the priorities.

Ms. Schutter reviewed the proposed action items under Priority Three. Ms. LeDuc noted addressing the training needs of product specific knowledge is a priority that should be escalated. It was noted that the training for reviewers, as well as those who work in the area of Market Conduct would be beneficial as there is a gap in current available options. Mr. Bridgeland suggested adding a bullet for consumers. He suggested updating the information provided under the Consumer Resources page of the website and providing better access to information for the consumers. Hearing no other comments, Director Dunning noted the Compact Office would accept written comments on these draft items until September 9, 2024.

Director Dunning proceeded to the next item on the Agenda, the adoption of the Consent Agenda item. Director Dunning asked for a motion from a member of the Management Committee to adopt the Consent Agenda item. Ms. Logue made the motion and Mr. Bradford seconded. The motion carried by voice vote.

Director Dunning moved to the next item on the Agenda, the report of the Executive Director. Ms. Schutter provided updates regarding South Dakota joining the Compact in July. Vermont has been designated as the northeast zone member of the Management Committee. The ILVA standards became effective for filing use as of August 12, 2024. The Compact Office has a new resource who started at the end of July. Additionally, the Compact Office has recently posted for a new position – Regulatory Research Specialist. Ms. Schutter announced the regulator workshop taking place during the Insurance Summit in September. Ms. Schutter also promoted the next Compact Roundtable scheduled to take place on October 30, 2024 in Omaha, NE. She also encouraged those attending the Insurtech on the Silicone Prairie to stay an extra night and attend the Roundtable. Ms. Schutter concluded her report.

Hearing no other matters to be brought before the Commission, Director Dunning asked for a motion to adjourn the meeting. Director Deiter made the motion and Mr. Arnold seconded the motion to adjourn.