



## **FINANCE COMMITTEE** **CHARTER**

### **Committee Purposes**

1. To collaborate as regulators from Compacting States to develop recommendations for consideration, approval and adoption by the Management Committee and/or the Interstate Insurance Product Regulation Commission (Insurance Compact Commission).
2. To monitor the Commission's financial condition including the actual and projected revenues, expenses, and significant variances thereto, as well as appropriate resourcing levels.
3. To develop and recommend the annual operating budget of the Insurance Compact Commission.
4. To develop and recommend updates as necessary to the Commission filing fee structure to encompass the cost of the operations and activities of the Commission and its staff in a total amount sufficient to cover the Commission's annual budget.
5. To consider and recommend requests for new or reallocated resources including funding requests related to the Commission's administrative and product operations.
6. To provide regulatory expertise on budgeting, resourcing and fee structuring for the Commission and its operations, including responding to requests for technical expertise or special projects assigned by the Management Committee and the Insurance Compact Commission.

### **Committee Composition**

1. The Finance Committee can consist of up to 20 Compacting States appointed in accordance with the *Guidelines for Composition, Procedures, Duties and Tenure of Committees Established Under Article VIII, Section 4 of the Bylaws of the Interstate Insurance Product Regulation Commission* ("Committee Guidelines). For 2021, the Finance Committee consists of 8 Compacting States.
2. Regulators in Compacting States who are not a member of the Finance Committee may participate in all meetings of the Finance Committee.

### **Committee Responsibilities**

1. To develop an annual work plan and calendar for the development of the annual budget and Schedule of Fees, including proposed fee changes and new revenue, resource, or expense proposals.

2. To meet as often as needed to discuss and advance items on its work plan but not less than once each quarter.
3. To follow the *Committee Guidelines* to the extent applicable and practicable in carrying out Committee responsibilities.
4. To provide easy-to-follow notices, agendas, working drafts of financial and budget materials and other work product to allow Finance Committee members, other regulators, the Legislative Committee, Consumer Advisory Committee, Industry Advisory Committee and other interested parties to understand the nature of the items for discussion and the type of action requested.
5. To review and consider written and oral comments regarding Committee activities including comments, questions, and concerns regarding draft budget and fee recommendations.
6. To prepare and post call summaries of regulator-only and public Committee meetings to document the agenda items, the nature of the discussion, and next steps, as applicable.
7. To provide input on issues, questions, strategic planning, and other matters as requested by the Officers, Management Committee, and Insurance Compact Commission.

### **Committee Authority**

1. The Finance Committee is authorized under Article VIII, Section 4 of the Insurance Compact Commission Bylaws.
2. As a matter of practice, the Treasurer of the Insurance Compact Commission will serve as the Chair of the Finance Committee unless the Insurance Compact Commission determines otherwise.
3. Members of the Finance Committee shall not include members of the independent Audit Committee.
4. The *Committee Guidelines* apply to the composition, procedures, duties, and tenure of the Committee.
5. Prior to making a recommendation for the Commission or Management Committee, the Finance Committee shall hold at least one, and may hold more than one, public meeting that provides an opportunity for public comment on the proposed recommendation.
6. Prior to a public meeting of the Finance Committee, the Committee shall provide notice in accordance with the Commission Bylaws.

### **Reporting**

1. The Finance Committee will report to the Insurance Compact Commission, and in certain circumstances, to the Management Committee.

2. The Finance Committee will provide its recommendation to the Insurance Compact Commission or Management Committee for further notice, comment, and consideration as directed by the body receiving the recommendation.
3. The Finance Committee will provide regular reporting to the Insurance Compact Commission and Management Committee as applicable including providing written reports to be included in a Consent Agenda as applicable.

### **Annual Governance Effectiveness Survey and Evaluation**

1. In December of each year (or earlier or later if applicable), the members and interested regulators of the Finance Committee shall complete a survey regarding the effectiveness of the Finance Committee activities, meetings and support.
2. At one of the first three regulator-only meetings of an annual period, the Finance Committee will include an agenda item to discuss Committee Governance and Effectiveness Evaluation including review of survey results.
3. At one of the first three regulatory-only meetings of an annual period, the Finance Committee will review and update, if needed, its Charter and adopt its annual workplan and calendar.

### **2022 Workplan Goals**

1. Develop and adopt 2022 Annual Workplan and Calendar.
2. Review monthly and quarterly financial statements to monitor revenues and expenses actual to budget.
3. Review budget proposal from Compact Office and develop recommendation for 2023 Annual Budget and Schedule of Fees. The Insurance Compact Office is recommending an increase in the Schedule of Fees for 2023.
4. Review proposal from Compact Office and develop recommendation with respect to the development of a comprehensive professional development program for the Compact Office team to ensure training in current best practices and developments in respective professional fields and creation of a succession planning strategy (Comprehensive Professional Development Program).



## **GOVERNANCE COMMITTEE** **CHARTER**

### **Committee Purposes**

1. To collaborate as regulators from Compacting States to develop recommendations for consideration, approval, and adoption by the Management Committee and/or the Interstate Insurance Product Regulation Commission (Insurance Compact Commission).
2. To promote best practices for overall good governance and encourage effective leadership through the integration of planning, management, and quality improvement.
3. To manage the preparation and implementation of the Commission's strategic plan and coordinating project plans including consideration and implementation of the recommendations from the independent governance review and business assessment.
4. To ensure that appropriate alternative goals and objectives are available to the Management Committee and the Insurance Compact Commission including reviewing economic, social, industry, marketplace, regulatory and legislative trends that may affect the organization's mission.
5. To maintain the Bylaws, Code of Ethics and procedural guidelines for Commission roles and responsibilities of Members and their designated representatives.

### **Committee Composition**

1. For 2022, the Governance Committee consists of 6 Compacting States appointed in accordance with the *Guidelines for Composition, Procedures, Duties and Tenure of Committees Established Under Article VIII, Section 4 of the Bylaws of the Interstate Insurance Product Regulation Commission* ("Committee Guidelines).
2. Regulators in Compacting States not assigned to the Governance Committee may participate in all meetings of the Governance Committee except when the Governance Committee is in executive member-only session, as permitted under the Commission Bylaws.

### **Committee Responsibilities**

1. Develop an annual work plan and calendar for the governance initiatives for the annual period.
2. Meet as often as needed to discuss and advance items on its work plan but not less than once each quarter. Meet periodically in executive sessions, including with members of management or outside counsel, as permitted under the Commission Bylaws.

3. Follow the *Committee Guidelines* to the extent applicable and practicable in carrying out Committee responsibilities.
4. Provide easy-to-follow notices, agendas, working drafts of recommendations, reports and other work product to allow Governance Committee members, other regulators, the Legislative Committee, Consumer Advisory Committee, Industry Advisory Committee and other interested parties to understand the nature of the items for discussion and the type of action requested.
5. Monitor and recommend best practices for overall good governance of the Insurance Compact Commission, including recommending relevant amendments to the Bylaws to strengthen and empower the Insurance Compact Commission in meeting its obligations related to good governance principles and abide by the organization's mission.
6. Review and approve Committee Charters and facilitate regular governance effectiveness reviews of the Management Committee, Insurance Compact Commission, and other committees.
7. Develop, and periodically review, written guidelines for and training on the roles and responsibilities of Commission members and their designated representatives as well as for members of the Management Committee and Chairs and Vice Chairs of the respective committees of the Insurance Compact Commission.
8. Review the Code of Ethics on a periodic basis and recommend updates as needed. Monitor the process for annual acknowledgement by Members and designated representatives with respect to review and compliance with the Code of Ethics.
9. Develop, and periodically review, a written policy for the immunity, indemnification and defense recognition and payment of expenses provided for under Article V., Section 5 of the Insurance Compact Statute and Article VI of the Bylaws.
10. Develop a Table of Decision Authorities as an internal control to track which decisions can be approved by their various governance functions.
11. Provide input on issues, questions, strategic planning, and other matters as requested by the Officers, Management Committee, and Insurance Compact Commission.

### **Committee Authority**

1. The Governance Committee is authorized under Article VIII, Section 4 of the Insurance Compact Commission Bylaws.
2. The *Committee Guidelines* apply to the composition, procedures, duties, and tenure of the Committee.
3. In accordance with the Commission Bylaws, prior to making a recommendation for the Commission or Management Committee, the Governance Committee will hold at least one,

and may hold more than one, public meeting that provides an opportunity for public comment on the proposed recommendation.

4. Prior to a public meeting of the Governance Committee, the Committee shall provide notice in accordance with the Commission Bylaws.

### **Reporting**

1. The Governance Committee will report to the Insurance Compact Commission, and in certain circumstances, to the Management Committee.
2. The Governance Committee will provide its recommendation to the Insurance Compact Commission or the Management Committee for further notice, comment, and consideration as directed by the body receiving the recommendation.
3. The Governance Committee will provide regular reporting to the Insurance Compact Commission and Management Committee as applicable including providing written reports to be included in a Consent Agenda as applicable.

### **Annual Governance Effectiveness Survey and Evaluation**

1. In December of each year (or earlier or later if applicable), the members and interested regulators of the Governance Committee shall complete a survey regarding the effectiveness of the Governance Committee activities, meetings, and support.
2. At one of the first three regulator-only meetings of an annual period, the Governance Committee will include an agenda item to discuss Committee Governance and Effectiveness Evaluation including review of survey results.
3. At one of the first three regulatory-only meetings of an annual period, the Governance Committee will adopt its annual workplan and calendar and, if needed, review and update its Charter.

### **2022 Workplan Goals**

1. Review and approve annual governance calendar, committee survey results, committee charters
2. Finalize Advisory Opinion
  - a. Updated for Squire Patton Boggs suggested changes
  - b. Distribute to IAC, CAC, Legislative Committee and publicly
  - c. Adopt during summer Commission meeting
3. Discuss and move forward PSC recommendation for Colorado Changes
  - a. Colorado has indicated changes for its gender-neutral iLTC rule not needed if Advisory Opinion is adopted

- b. Colorado would like to see a state-specific exception for the suicide clause (the standard is 2 years or shorter if required by state law). This would benefit Missouri and North Dakota.
- 4. Support Bylaw amendment process
  - a. The amendments to the Bylaws have already been recommended to the Management Committee
  - b. The Governance Committee would respond to request from the Management Committee, if any, regarding comments
- 5. Develop/review and recommend roles and responsibilities for officers, committee leadership, Management Committee, members, and designated representatives.
- 6. Review and update Code of Ethics (originally adopted in 2009).
- 7. Develop/review a written policy for immunity, indemnification and defense recognition and payment of expenses.
- 8. Develop/review Table of Decision Authorities – types of decisions and the approval authority based on governance.



## **PRODUCT STANDARDS COMMITTEE** **CHARTER**

### **Committee Purposes**

1. To collaborate as regulators from Compacting States to develop recommendations for consideration, approval and adoption by the Management Committee and the Interstate Insurance Product Regulation Commission (Insurance Compact Commission).
2. To develop new and amended Uniform Standards that states support and companies willingly use and are robust and reflect strong and detailed consumer protections; are relevant and reflect product offerings that are available today in the several Compacting States; and, are not unduly prescriptive or restrictive.
3. To regularly review, but no less than every five years, Uniform Standards to ensure they are robust and reflect strong and detailed consumer protections; are relevant and reflect product offerings that are available today in the several Compacting States; and, are not unduly prescriptive or restrictive.
4. To provide regulatory expertise on product requirements and Uniform Standards, including responding to requests for technical expertise or special projects assigned by the Management Committee and the Insurance Compact Commission.
5. To confer with the Legislative Committee, Consumer Advisory Committee and Industry Advisory Committee regarding Uniform Standards development activities and proposed recommendations.

### **Committee Composition**

1. The Product Standards Committee consists of up to 20 Compacting States appointed in accordance with the *Guidelines for Composition, Procedures, Duties and Tenure of Committees Established Under Article VIII, Section 4 of the Bylaws of the Interstate Insurance Product Regulation Commission* (“Committee Guidelines”).
2. Regulators in Compacting States who are not a member of the Product Standards Committee may participate in all meetings of the Product Standards Committee.

### **Committee Responsibilities**

1. To develop an annual work plan and calendar of Uniform Standards development activities.
2. To meet every other week, as needed (or more often if needed), for 60 minutes (or more if needed) to discuss and advance items on its work plan.



3. To follow the *Committee Guidelines* and the *Uniform Standard Development Guidelines* (once adopted by the Insurance Compact Commission) to the extent applicable and practicable in carrying out Committee responsibilities.
4. To provide easy-to-follow notices, agendas, Uniform Standards drafts and other work product to allow PSC members, other regulators, the Legislative Committee, Consumer Advisory Committee, Industry Advisory Committee, and other interested parties to understand the nature of the items for discussion and the type of action requested.
5. To review and consider written and oral comments regarding Committee activities including comments, questions, and concerns regarding new or amended Uniform Standards.
6. To prepare and post call summaries of regulator-only and public Committee meetings to document the agenda items, the nature of the discussion, and next steps, as applicable.
7. To provide input on issues, questions, strategic planning, and other matters as requested by the Officers, Management Committee, and Insurance Compact Commission.

### **Committee Authority**

1. The Product Standards Committee is authorized under Article VIII, Section 4 of the Insurance Compact Commission Bylaws.
2. The *Committee Guidelines* apply to the composition, procedures, duties, and tenure of the Committee.
3. Prior to making a recommendation for the Commission or Management Committee, the Product Standards Committee shall hold at least one, and may hold more than one, public meeting that provides an opportunity for public comment on the proposed recommendation.
4. Prior to a public meeting of the Product Standards Committee, notice shall be provided at least fifteen (15) days prior to the meeting to members and their designated representatives in Compacting States, members of the Legislative Committee, Consumer Advisory Committee, and Industry Advisory Committee, and to parties who have requested in writing to receive such notices.

### **Reporting**

1. The Product Standards Committee will report to the Management Committee, and in certain circumstances, directly to the Insurance Compact Commission.
2. The Product Standards Committee will provide its recommendation for new and amended Uniform Standards, and if applicable Rules, to the Management Committee to initiate the rulemaking process under Section 101 of the *Rule for the Adoption, Amendment or Repeal of Rules for the Interstate Insurance Product Regulation Commission*.

3. The Product Standards Committee may provide recommendations that do not include Uniform Standards or other Rules to the Management Committee to Insurance Compact Commission as applicable.
4. The Product Standards Committee will provide regular reporting to the Management Committee and Insurance Compact Commission as applicable including providing written reports to be included in a Consent Agenda as applicable.

### **Annual Governance Effectiveness Survey and Evaluation**

1. In December of each year (or earlier or later if applicable), the members and interested regulators of the Product Standards Committee shall complete a survey regarding the effectiveness of the Product Standards Committee activities and meetings.
2. At one of the first three regulator-only meetings of an annual period, the Product Standards Committee will include an agenda item to discuss Committee Governance and Effectiveness Evaluation including review of survey results.
3. At one of the first three regulatory-only meetings of an annual period, the Product Standards Committee will review and update, if needed, its Charter and adopt its annual workplan and calendar.

### **2022 Workplan Goals**

1. Develop and adopt Product Standards Committee Charter and its 2022 Annual Workplan and Calendar.
2. Review Committee Governance and Effectiveness survey results and update for changes in committee process or materials.
3. Finalize Phase 9 of the Five-Year Review Process for Group Term Life Uniform Standards and *Additional Standards Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities*.
4. Conduct Phase 10 of the Five-Year Review Process for Group Disability Income Uniform Standards.
5. Draft new Uniform Standards for Individual Disability Income Buy-Sell and Key Person Policies.
6. Draft new Uniform Standards for Group Whole Life Policies and Certificates and Uniform Standards for Graded Benefits for group whole life and term policies and individual term policies.

7. Review items on the Uniform Standards Development Identification List and recommend to the Commission the 2023 Uniform Standards Development Prioritization List.
8. Receive work product of Actuarial Working Group and draft and recommend Uniform Standards for Individual Index-Linked Variable Annuity Standard.
9. Conduct panel discussion on the issue of the use of plain, understandable language in forms, and recommend if there are ways that the Uniform Standards can promote the use of plain, understandable language in forms.
10. Work on new Uniform Standards from the 2022 Uniform Standards Development Prioritization List including Additional Standard for Acceleration of Accumulation Value for Individual Annuities and Additional Standards for Guaranteed Living Benefits for Variable and Non-Variable Adjustable Life.



## **RULEMAKING COMMITTEE** **CHARTER**

### **Committee Purposes**

1. To collaborate as regulators from Compacting States to develop recommendations for consideration, approval, and adoption by the Management Committee and/or the Interstate Insurance Product Regulation Commission (Insurance Compact Commission).
2. To develop new and amended Operating Procedures and Rules, including guidelines and instructions, to implement, interpret, or prescribe policy or describe the organization, procedure, or practice requirements of the Commission, its rulemaking activities, and implementation of its Uniform Standards.
3. To regularly review, but no less than every five years, Operating Procedures and Rules to ensure they are relevant and appropriate for the current nature, circumstances and scope of the Commission and its committee and product operations.
4. To provide regulatory expertise on administrative and procedural requirements for the Commission and its operations, including responding to requests for technical expertise or special projects assigned by the Management Committee and the Insurance Compact Commission.
5. To confer with the Legislative Committee, Consumer Advisory Committee and Industry Advisory Committee regarding Operating Procedures and Rules and proposed recommendations.

### **Committee Composition**

1. The Rulemaking Committee can consist of up to 20 Compacting States appointed in accordance with the *Guidelines for Composition, Procedures, Duties and Tenure of Committees Established Under Article VIII, Section 4 of the Bylaws of the Interstate Insurance Product Regulation Commission* ("Committee Guidelines). For 2022, the Rulemaking Committee consists of 20 Compacting States.
2. Regulators in Compacting States who are not a member of the Rulemaking Committee may participate in all meetings of the Rulemaking Committee.

### **Committee Responsibilities**

1. To develop an annual work plan and calendar for the development of new or amended Operating Procedures, Rules, guidelines, and instructions.2. To meet as often as needed to discuss and advance items on its work plan but not less than once each quarter.
3. To follow the *Committee Guidelines* to the extent applicable and practicable in carrying out Committee responsibilities.
4. To provide easy-to-follow notices, agendas, working drafts of Operating Procedures and Rules and other work product to allow Rulemaking Committee members, other regulators, the Legislative Committee, Consumer Advisory Committee, Industry Advisory Committee and other interested parties to understand the nature of the items for discussion and the type of action requested.
5. To review and consider written and oral comments regarding Committee activities including comments, questions, and concerns regarding new or amended Operating Procedures and Rules, including guidelines and instructions.
6. To prepare and post call summaries of regulator-only and public Committee meetings to document the agenda items, the nature of the discussion, and next steps, as applicable.
7. To provide input on issues, questions, strategic planning, and other matters as requested by the Officers, Management Committee, and Insurance Compact Commission.

### **Committee Authority**

1. The Rulemaking Committee is authorized under Article VIII, Section 4 of the Insurance Compact Commission Bylaws.
2. The *Committee Guidelines* apply to the composition, procedures, duties, and tenure of the Committee.
3. Prior to making a recommendation for the Commission or Management Committee, the Rulemaking Committee shall hold at least one, and may hold more than one, public meeting that provides an opportunity for public comment on the proposed recommendation.
4. Prior to a public meeting of the Rulemaking Committee, the Committee shall provide notice in accordance with the Commission Bylaws.

### **Reporting**

1. The Rulemaking Committee will report to the Management Committee, and in certain circumstances, directly to the Insurance Compact Commission.

2. The Rulemaking Committee will provide its recommendation for new and amended Operating Procedures and Rules to the Management Committee to initiate the rulemaking process under Section 101 of the *Rule for the Adoption, Amendment or Repeal of Rules for the Interstate Insurance Product Regulation Commission*.
3. The Rulemaking Committee may provide recommendations that do not include Operating Procedures and Rules to the Management Committee to Insurance Compact Commission as applicable.
4. The Rulemaking Committee will provide regular reporting to the Management Committee and Insurance Compact Commission as applicable including providing written reports to be included in a Consent Agenda as applicable.

### **Annual Governance Effectiveness Survey and Evaluation**

1. In December of each year (or earlier or later if applicable), the members and interested regulators of the Rulemaking Committee shall complete a survey regarding the effectiveness of the Rulemaking Committee activities, meetings, and support.
2. At one of the first three regulator-only meetings of an annual period, the Rulemaking Committee will include an agenda item to discuss Committee Governance and Effectiveness Evaluation including review of survey results.
3. At one of the first three regulatory-only meetings of an annual period, the Rulemaking Committee will review and update, if needed, its Charter and adopt its annual workplan and calendar.

### **2022 Workplan Goals**

1. Develop and adopt Rulemaking Committee Charter and its 2022 Annual Workplan and Calendar.
2. Finalize recommendation for expanding Uniform Standards to accommodate non-employer group types to present. *See Insurance Compact Compass Strategic Plan: 2020 – 2022, Priority I, Action Item 4.*
3. Review current Mix and Match process to recommend changes to improve the process and further minimize the need for Mix and Match, including guidance and whether additional forms are required to be filed with Compacting States for a Compact-approved product. *See Insurance Compact Compass Strategic Plan: 2020 – 2022, Priority II, Action Item 7.*
4. Review current five-year review process and activities to recommend changes, while ensuring continued transparency and wide opportunities for member and public input, to make it a more iterative, flexible and efficient review of the Uniform Standards focused on the robust, relevant and reasonable objectives.

5. Provide recommendation to amend the Rulemaking Rule to add a process when a change to an NAIC Model Act is made and incorporated by reference in the Uniform Standard for public comment.



**DATE:** April 5, 2022

**TO:** Interstate Insurance Product Regulation Commission

**FROM:** Insurance Compact Finance Committee

**RE:** Report of Committee Activities for Joint Meeting of the Management Committee and Commission

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The Insurance Compact Finance Committee met on March 2<sup>nd</sup> and received an update on the financials through the end of 2021 and January 2022.

The Compact ended 2021 in a strong financial position. The actual revenues of \$3.4 million were 14% over the budgeted \$3 million. The actual expenses were 8% under the budgeted \$2.9 million. The change in net assets was a positive \$790,016. The Compact carried \$2.33 million cash into 2022. A large part of the cash balance is attributed to companies registering in December 2021 for the calendar year of 2022.

The actual revenues for January 2022 were 93% of budget; \$1.2 million was earned. The expenses continue to be under budget in large part due to the current COVID restrictions and an open position. Actual expenses were approximately 15% under budget.

The Finance Committee will continue to monitor the financial statements throughout the course of the year as well as look at the value of services, systems, and resources the NAIC provides to the Compact. This was a recommendation from the independent business assessment conducted by Rector and Associates. Additionally, the Finance Committee, working with the Compact Office, will develop a comprehensive professional development program for the Compact Team to ensure training in current best practices and developments in respective professional and provides for succession planning. This is a project that stems from the Insurance Compact Compass, the Compact's strategic plan, specifically Priority III, Action Item 5.

Please contact the West Virginia Commissioner Allan McVey, Chair of the Insurance Compact Finance Committee, or Karen Schutter, Executive Director for questions or further information.





**DATE:** April 5, 2022

**TO:** Management Committee

**FROM:** Product Standards Committee

**RE:** Report of the Product Standards Committee Activities for the April 5 Commission Meeting

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The Product Standards Committee (PSC) has completed its work on Phase 9 of the Five -Year Review of the group term life Uniform Standards and an individual annuity standard for guaranteed minimum death benefits and submitted its report to the Management Committee.

The PSC is reviewing the drafts for Individual Disability Buy Sell and Key Person Replacement Uniform Standards. The PSC is also monitoring the work of the Actuarial Working Group (AWG), which has developed a draft framework for interim value calculation methodologies as part of possible standards for registered index-linked variable annuity contracts. A subgroup of the NAIC Life Actuarial Task Force is currently working on an actuarial guideline.

The Compact Office has issued the annual notice to receive requests for new or amended uniform standards. Requests for new or amended Uniform Standards should be made by June 30<sup>th</sup> so they may be included in the identification list that will be considered by the PSC for prioritization for its 2023 Uniform Standard development work plan.

The PSC also stands ready to respond to other requests from the Management Committee and the Commission regarding uniform standards development. Please contact Jason Lapham of the Colorado Division of Insurance, Chair of the Product Standards Committee, or Susan Ezalarab, the Compact Office's Regulatory Coordinator Consultant.



**DATE:** April 5, 2022  
**TO:** Management Committee  
**FROM:** Rulemaking Committee  
**RE:** Report of the Rulemaking Committee for the April 5 Commission Meeting

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The Rulemaking Committee held a regulator-only call on March 18<sup>th</sup> to review its committee effectiveness survey results, update its charter and set its 2022 work plan goals.

The Rulemaking Committee finalized for purposes of public comment, a draft recommendation for a framework and proposed operating procedure to accommodate the use of Compact-approved products for non-employer groups. Under this framework, all types of groups, including both employer and non-employer group must follow the laws of each Compacting State in terms of whether they are permitted in the jurisdiction where the product is issued or issued for delivery. For groups that fall within the proposed description of employer group, the company would not need prior approval or other filing authorization from the Compacting State to use Compact-approved product for the employer group. For non-employer groups or “other than employer groups,” the company must follow the existing process in each Compacting State for authorization of the non-employer group before the company could use the Compact-approved product for that non-employer group. The Rulemaking Committee has scheduled a public call on Friday, April 22<sup>nd</sup> at 2 pm ET to receive comments on the proposed framework and operating procedure. The Rulemaking Committee expects to deliver its recommendation to the Management Committee by June.

The Rulemaking Committee will next work on Priority 2, Action Item 7 of the *Insurance Compact Compass: Strategic Plan 2020 – 2022*. The Rulemaking Committee will study and analyze the different types of mix and match and propose recommendations to improve the process and minimize the need for mix and match. At its March 18<sup>th</sup> meeting, the Rulemaking Committee received a briefing from the Compact Office providing an overview on the current mix and match process and procedures. The Committee hopes to make a recommendation to the Management Committee by late Summer.

The Rulemaking Committee is available to respond to any questions or requests from the Management Committee and the Commission regarding uniform standards development. Please contact Commissioner Andrew Stolfi of the Oregon Department of Consumer & Business Services, or Susan Ezalarab, the Compact Office’s Regulatory Coordinator Consultant.



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

**ANNUAL MEETING OF THE COMMISSION**

**Sunday, December 12, 2021  
6 pm ET / 5 pm CT / 4 pm MT / 3 pm PT**

**AGENDA**

1. Roll Call
2. Annual Meeting with the Legislative Committee
3. Management Committee and Commission Consideration of Options On South Carolina Request: Consider for Final Action the Proposed Options Pertaining to the 15% Threshold for Compact Approval of In-Force Rate Schedule Increases on Compact-Approved Long-Term Care Products.
4. Management Committee and Commission Consideration of Adoption of the Proposed 2022 Annual Budget and Schedule of Fees
5. Management Committee and Commission Consideration of Adoption of the Proposed 2022 Uniform Standards Development Prioritization
6. Report of the Audit Committee and Consideration by the Commission to Adopt the Report of the Audit Committee
7. Report and Recommendation of the Governance Committee
8. Management Committee Consideration of Appointments to the Industry Advisory Committee and Consumer Advisory Committee
9. Commission Consideration of the Formation of Insurance Compact Management Committee and Other Committee Assignments
10. Annual Election of the 2021/2022 Officers
11. CONSENT AGENDA: Joint Action Item by the Management Committee and Commission to Adopt Annual Treasurer's Report, the Reports of the Finance and Rulemaking Committees, and Minutes of the October 19, 2021 Joint Meeting of the Management Committee and the Commission.
12. Executive Director's Operational Report
13. Any Other Matters
14. Adjourn

**Members of the Commission and Department Staff in Attendance:**

Superintendent Elizabeth Kelleher Dwyer, Chair, Rhode Island  
Commissioner Mark Afable, Vice Chair, Wisconsin  
Director Eric Dunning, Treasurer, Nebraska  
Yada Horace as a designated representative for Commissioner Jim Ridling, Alabama  
Anthony Williams, Alabama  
Director Lori Wing-Heier, Alaska  
Erin Klug as a designated representative for Director Evan Daniels, Arizona  
Jimmy Harris as a designated representative for Commissioner Alan McClain, Arkansas  
Commissioner Michael Conway, Colorado  
Commissioner Andrew Mais, Connecticut  
Frank Pyle as a designated representative for Commissioner Trinidad Navarro, Delaware  
Howard Liebers as a designated representative for Commissioner Karima Woods, District of Columbia  
Steve Manders as a designated representative for Commissioner John King, Georgia  
Commissioner Colin Hayashida, Hawaii  
Director Dean Cameron, Idaho  
Shannon Whalen as a designated representative for Director Dana Popish Severinghaus, Illinois  
Jeff Varga, Illinois  
Alex Peck as a designated representative for Commissioner Amy Beard, Indiana  
Commissioner Doug Ommen, Iowa  
Andria Seip, Iowa  
Commissioner Vicki Schmidt, Kansas  
Julie Holmes, Kansas  
Commissioner Sharon P. Clark, Kentucky  
Commissioner James Donelon, Louisiana  
Superintendent Eric A. Cioppa, Maine  
Commissioner Kathleen A. Birrane, Maryland  
Nour Benchaaboun, Maryland  
Karen Dennis as a designated representative for Director Anita G. Fox, Michigan  
Tammy Lohman as a designated representative for Commissioner Grace Arnold, Minnesota  
Director Chlora Lindley-Myers, Missouri  
Laura Arp, Nebraska  
Director Barbara Richardson, Nevada  
Jason Dexter as a designated representative for Commissioner Chris Nicolopoulos, New Hampshire  
Commissioner Marlene Caride, New Jersey  
Jennifer Catechis as a designated representative for Superintendent Russell Toal, New Mexico  
Director Judith French, Ohio  
Theresa Schaefer, Ohio  
Commissioner Glen Mulready, Oklahoma  
Kurt Cagle, Oklahoma  
Director Andrew Stolfi, Oregon  
T.K. Keen, Oregon  
Commissioner Jessica Altman, Pennsylvania  
Shannen Logue, Pennsylvania

Michael Wise as a designated representative for Director Ray Farmer, South Carolina  
Bill Huddleston as a designated representative for Commissioner Carter Lawrence, Tennessee  
Doug Slape as a designated representative for Commissioner Cassie Brown, Texas  
Commissioner Jonathan Pike, Utah  
Tanji Northrup, Utah  
Mary Block as a designated representative for Commissioner Michael Pieciak, Vermont  
Don Beatty as a designated representative for Commissioner Scott A. White, Virginia  
Commissioner Mike Kreidler, Washington  
Molly Noellette  
Commissioner Allan McVey, West Virginia  
Erin Hunter, West Virginia  
Rebecca Rebholz, Wisconsin  
Commissioner Jeff Rude, Wyoming

**Legislative Committee:**

Representative Matt Lehman  
Speaker Pro Tem Brian Patrick Kennedy  
Representative Jim Dunnigan  
Representative Deborah Ferguson  
Senator Laura Fine  
Assemblyman Ron Freiman

**Consumer Advisory Committee:**

Fred Nepple  
Yvonne Hunter  
Brendan Bridgeland

**Industry Advisory Committee:**

Anne Correia, Allianz  
Andrea Davey, Athene  
Michael Hitchcock, Pacific Life  
Wayne Mehlman, ACLI  
Joseph Muratore, NY Life  
Sarah Wood, IRI

**Insurance Compact Staff in Attendance:**

Karen Schutter, Executive Director  
Becky McElduff, Director of Product Operations & Chief Counsel  
Sara Dubsky, Assistant Director of Administrative Operations  
Joe Bonfitto, Product Reviewer  
Mindy Bradford, Product Reviewer  
Ed Charbonnier, Product Reviewer  
Jeanne Daharsh, Actuary  
Susan Ezalarab, Regulatory Coordinator Consultant  
Naomi Kloeppersmith, Actuary  
Maureen Perry, Product Review Consultant

Sarah Neil, Communications and Outreach Coordinator  
Hanna Steen, Administrative Coordinator

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

Superintendent Dwyer noted this was the Annual Meeting of the Commission and as such, the first item on the Agenda would be a meeting with the members of the Legislative Committee. It was explained NCOIL President and California Assemblyman Cooley made new appointments to the Insurance Compact's Legislative Committee. NCOIL Treasurer and Texas Representative Tom Oliverson, NCOIL Secretary and Arkansas Representative Deb Ferguson and New Jersey Representative Roy Freiman were recently appointed. Superintendent Dwyer called on Speaker Pro Tem Kennedy for his remarks. Speaker Pro Tem Kennedy noted it is a pleasure to work with the Compact and he looks forward to continuing to work with the Compact. Representative Lehman noted he too looks forward to working with the Compact in the coming year.

Superintendent Dwyer proceeded to the third Agenda item, the Management Committee and Commission consideration of options on South Carolina's request. Superintendent Dwyer noted the Commission is set to take a final vote on the request from South Carolina Director Farmer to reduce or eliminate the 15% threshold for in-force rate increases on Compact-approved individual long-term care insurance products. Superintendent Dwyer noted Commissioner Kreidler brought forth a suggestion which would bifurcate the rate increase portion of the current rate Uniform Standards into a new separate Uniform Standards. The option would amend the Scope of the Uniform Standards to allow a Compacting State to opt out of the new in-force rate increase standards and still participate in all the other individual long-term care Uniform Standards. The standards would not include the proposed language suggested by Commissioner Donelon regarding the advisory review as there were ways within the existing standards for a Compacting State to decline to participate in an advisory review. Superintendent Dwyer asked if there was a motion from the Commission who was a Management Committee member to adopt the amendments to the existing Rate Filing Standards for Individual Long-Term Care Insurance Policies and a new Standards for Filing Revisions to In-Force Rate Schedules for Individual Long-Term Care Insurance without the language marked "Louisiana request" as found on page 3 of the new Uniform Standards. Deputy Commissioner Slape made the motion and Director French seconded. Director Richardson noted that this feels against the other NAIC initiatives to make long-term care more cohesive. Director Lindley-Myers noted Missouri will abstain. A roll call vote was conducted. The motion carried with Missouri abstaining and Nevada and Utah both voting no. It was noted the Uniform Standards would be promulgated on January 4<sup>th</sup>.

Superintendent Dwyer proceeded to the fourth Agenda item, Management Committee and Commission consideration of the proposed 2022 Annual Budget and Schedule of Fees. Superintendent Dwyer explained the budget was prepared by the Finance Committee and a hearing took place during the October 19<sup>th</sup> Commission meeting. There are changes proposed to the Schedule of Fees. There were no comments submitted or provided during the Hearing. Commissioner McVey made the motion to adopt the proposed Annual Budget and Schedule of

Fees and Commissioner Caride seconded the motion. A voice vote was conducted, and the motion carried.

Superintendent Dwyer moved to the next item on the Agenda, the Management Committee and Commission adoption of the 2022 Uniform Standards Development Prioritization. Superintendent Dwyer noted the Product Standards Committee made the recommendation to the Management Committee in September. A public hearing was conducted on October 19<sup>th</sup> and no comments were received orally or in writing. A motion to adopt the Uniform Standards Development Prioritization was made by Commissioner Caride and seconded by Commissioner Rude. A voice vote was conducted, and the motion carried.

Superintendent Dwyer asked Commissioner Birrane to present a report from the Audit Committee as the next item on the Agenda. Commissioner Birrane noted the Audit Committee met recently in a regulator-only setting. It was noted the current revenue is 13.5% over budgeted revenue and additional details may be found in the Treasurer's Report. The Audit Committee has agreed to continue the engagement of the audit firm, RSM, to conduct the 2021 audit. Commissioner Birrane noted this is the fifth, and final, year with RSM and the Audit Committee will bid for a new audit firm to conduct the 2022 audit. Commissioner Birrane reported the Committee has updated the charter after a recommendation in the governance review conducted by Squire Patton Boggs in 2020. One item of note in the charter, the Committee supports having a member of the Management Committee serve on the Audit Committee to strengthen the governance coordination of the Commission. Currently the Bylaws provide a member of the Management Committee cannot serve on the Audit Committee. The Governance Committee is bringing forth a recommendation to amend the Bylaws with this being one of the recommendations. The Audit Committee is supportive of this change. Commissioner Birrane concluded the report and there were no questions.

Superintendent Dwyer proceeded to the next item on the Agenda and asked Commissioner Afable to provide a report on the Governance Committee. Commissioner Afable reported the Governance Committee has been working on proposed amendments to the Compact Bylaws. Commissioner Afable reported Arizona and Oregon along with Yvonne Hunter, a member of the Consumer Advisory Committee, provided comments on the proposed amendments. The Committee revised their initial amendments in response to the comments received. A public call was held in early December to receive final comments before making the recommendation today for the proposed amendments to be published for a formal comment period.

With regard to implied congressional consent, Commissioner Afable reported the Committee has been working diligently to address the issues raised by the Colorado Supreme Court in their April 2020 opinion. Squire Patton Boggs recommended the Compact has a compelling case that the Compact did receive congressional consent when in 2006 then-President Bush signed into law granting consent for the District of Columbia to join the Insurance Compact and further authorized the Mayor to delegate powers in the Compact to the Commission. The Committee has evaluated the recommendation and developed a draft Advisory Opinion along with a briefing sheet and FAQ. Ms. Schutter was asked to outreach to the Commission members to review this information as well as the members of the Legislative Committee. The next steps will be to provide public notice of this Advisory Opinion along with the supporting materials early next year. The Compact will work

with the members of NCOIL and NCSL to inform other state stakeholders of the background on this issue, answer questions and seek support as when the Compact was being first developed in the early 2000s.

Mr. Bridgeland of the Consumer Advisory Committee noted that the Commission should proceed with caution in this matter. Superintendent Dwyer noted the Committee will continue to discuss at the Committee level. Representative Lehman noted he believes that this is the right path to be proceeding.

Superintendent Dwyer asked for a motion to adopt the reports of the Audit and Governance Committees with the recommendation to publish the Bylaws for a public comment period. Ms. Seip made the motion and Commissioner Pike seconded. A voice vote was conducted, and the motion was carried.

Superintendent Dwyer proceed to the next item on the Agenda, the Management Committee consideration of appointments to the Industry and Consumer Advisory Committees. Superintendent Dwyer noted the Industry Advisory Committee has eight seats and four of which are open for appointment this year. Three of the four seats are reserved for industry trade organization representatives and one seat is reserved for a company representative. The Officers are recommending Wayne Mehlman of ACLI, Amanda Herrington of AHIP, Meghan Gale of NAIFA, and David Morris of Northwestern Mutual to the four open seats on the Industry Advisory Committee. Superintendent Dwyer reported Anna Howard with the Cancer Action Network has applied to serve on the Consumer Advisory Committee. She serves as a Policy Principal as well as an NAIC consumer representative. The Officers are recommending Ms. Howard to be appointed to one of the current open seats on the Consumer Advisory Committee. Commissioner Rude made the recommendation and Commissioner Caride seconded. A voice vote was conducted, and the motion carried.

Superintendent Dwyer moved to the next item on the Agenda, the Commission consideration of the Management Committee formation and other Committee assignments. Superintendent Dwyer listed the states who would be serving on the Management Committee in the next annual period. The states serving will be: Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Jersey, Ohio, Pennsylvania, Rhode Island, Texas, Virginia, West Virginia, and Wyoming. Superintendent Dwyer noted the Officers have provided their recommendation for committee assignments for the coming annual period. Similar to prior years, more requests than available seats on the Product Standards Committee were received. It was noted even if a requesting state was not able to be appointed to the Product Standards Committee, all regulators will be able to participate in the Committee calls. Commissioner Birrane made the motion to adopt the Committee formations and Director Cameron seconded. A voice vote was conducted, and the motion carried.

Superintendent Dwyer progressed to the next item on the Agenda, the election of the Compact Officers. Superintendent Dwyer noted she would not be seeking another term as Compact Chair. Commissioner Mulready made a nomination for Commissioner Birrane to serve as Chair, Director Dunning as Vice Chair, and Commissioner McVey as Treasurer. Mr. Beatty seconded the nominations. Commissioner Mulready made a motion to close the nominations and Commissioner Pike seconded. A voice vote was conducted and the motion carried.



Moving to the Consent Agenda, Commissioner McVey made a motion to adopt the Consent Agenda items. Commissioner Rude seconded the motion. A voice vote was conducted and there were no objections. The Consent Agenda item was adopted.

Ms. Schutter provided a report of the Executive Director. She reported the Compact Office has conducted Annual State of the Compact calls which serves as an opportunity to share key issues with the Commissioners and their designated representatives and receive their feedback on continuous improvement as a trusted arm of each of their Departments. Also, the Compact Office has released a regulatory collaboration space for member regulators providing useful information on the Compact's product filings and committee activities. Ms. Schutter noted most of the action items in the strategic plan are well underway. Eight of these items fully complete; six items have been completely implemented and are considered in the ongoing phase; and seven are works in progress with committees or the Compact Office expected to wrap up their work in the first part of 2022. It was explained there are seven items that are planned to kick off in 2022. The Compact has been working to complete many of the recommendations from the independent business assessment and governance review. One of these items is documenting the services and the cost of those services provided by the NAIC to the Commission and Compact Office. The structure of the license and services agreement between the NAIC and the Commission is the Commission pays and annual administrative services fee of \$125,000 and since 2018, it also pays an adjustable administrative fee of 7.5% of every \$25,000 in net revenue. The Commission also pays a separate license fee for the use and customization of SERFF for the Compact instance. Ms. Schutter reported Rector & Associates noted during the business assessment the documentation of costs was not very robust. The Compact Office has worked with the NAIC to document the costs in terms of allocation of a percentage to the total costs for the facilities, equipment and technical systems used by the NAIC or the Compact to support the Compact's operations. The percentage assessed was 2.12% of the total cost and based on the ratio of Compact employees to all employees of NAIC, NIPR and Compact. The direct staff support provided to the Compact was documented. Ms. Schutter explained when an NAIC staff member assists the Compact in planning a meeting or updating its website, the cost of those direct hours is documented. Grand total of those costs for 2020 was \$212,374 which exceeds the highest amount the Commission has ever paid to the NAIC, \$200,265 in 2019. The Compact Office presented this analysis and information to the Finance Committee earlier this year and they were comfortable with the approach. Ms. Schutter noted the Compact Office is the one reporting to the Commission on this matter. Ms. Schutter recognized the Compact team which is a highly skilled group including our form reviewers and credentialed actuaries many of whom are former regulators. Ms. Schutter recognized Maureen Perry who is retiring at the end of this month. Ms. Perry joined the Compact in 2009 as one of its first form reviewers. When the individual long-term care and disability income Uniform Standards were being implemented she became the primary form reviewer. Ms. Schutter noted the Compact Office is transitioning her workload over to other long-time reviewers. Mr. Charbonnier who many of you worked with when he was with the Massachusetts Division of Insurance and joined the Compact in 2016 will be primary for individual long-term care and Mindy Bradford who also joined the Compact in 2016 after working at a filing company will take on disability income product review. There is an open position which will most likely be filled in the Spring of 2022 based on the needs of the Compact. Ms. Schutter concluded her report. There were no questions.

Hearing no other matters, Superintendent Dwyer asked if there was a motion to adjourn. Commissioner Caride made a motion to adjourn which was seconded by Commissioner Schmidt.



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

**Tuesday, March 29, 2022**  
**3 pm ET / 2 pm CT / 1 pm MT / 12 pm PT**

**AGENDA**

1. Roll Call
2. Public Hearing on the Proposed Amendments to the Compact Bylaws
3. Management Committee Consideration of Appointments to the Consumer Advisory Committee
4. Report and Recommendation of the Product Standards Committee and Management Committee Approval of the Report and Recommendation
5. Executive Director's Operational Report
6. Any Other Matters
7. Adjourn

**Members of the Commission and Department Staff in Attendance:**

Director Eric Dunning, Vice Chair, Nebraska

Yada Horace, Alabama

Anthony Williams, Alabama

Director Lori Wing-Heier, Alaska

Sharon Comstock, Alaska

Erin Klug, Arizona

Jimmy Harris, Arkansas

Jason Lapham, Colorado

Martha Im, Hawaii

Liza Zarko, Hawaii

Shannon Hohl, Idaho

Jeff Varga as a designated representative for Director Dana Popish Severinghaus, Illinois

Matthew Cunningham, Iowa

Craig Van Aalst, Kansas

Commissioner Sharon P. Clark, Kentucky

Frank Opelka, Louisiana

Alex Borkowski, Maryland

Nour Benchaaboun as a designated representative for Commissioner Kathleen A. Birrane, Maryland

Sheri Cullen as a designated representative for Commissioner Gary Anderson, Massachusetts

Karen Dennis as a designated representative for Director Anita G. Fox, Michigan

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

Bob Williams, Mississippi

Cynthia Amann, Missouri

Camille Anderson-Weddle, Missouri

Jo LeDuc, Missouri

Victoria Barnard, New Hampshire

Jason Dexter, New Hampshire

Ted Hamby, North Carolina

Daniel Bradford, Ohio

Cuc Nguyen, Oklahoma

Shannen Logue, Pennsylvania

Matt Gendron as a designated representative for Superintendent Elizabeth Kelleher Dwyer, Rhode Island

Stephanie Cope, Tennessee

Brian Hoffmeister, Tennessee

Chris Herrick as a designated representative for Commissioner Cassie Brown, Texas

Commissioner Jonathan Pike, Utah

Heidi Clausen, Utah

Tomasz Serbinowski, Utah

Shelley Wiseman, Utah

Tanji Northrup, Utah

Mary Block, Vermont

Don Beatty as a designated representative for Commissioner Scott A. White, Virginia

Ned Gaines, Washington

Tonya Gillespie, West Virginia  
Commissioner Jeff Rude, Wyoming

**Consumer Advisory Committee:**

Fred Nepple

**Industry Advisory Committee:**

Andrea Davey, Athene  
Michael Hitchcock, Pacific Life  
Wayne Mehlman, ACLI  
David Morris, Northwestern Mutual  
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  
Joe Bonfitto, Product Reviewer  
Ed Charbonnier, Product Reviewer  
Susan Ezalarab, Regulatory Coordinator Consultant  
Karen Givens, Senior Product Reviewer & Manager  
Naomi Kloeppersmith, Actuary  
Aimee Lawson, Product Reviewer  
Sarah Neil, Communications and Outreach Coordinator  
Hanna Steen, Administrative Coordinator

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

Director Dunning moved to the first item on the agenda, the public hearing on the proposed amendments to the Compact Bylaws. Director Dunning explained the Governance Committee recommended several amendments in December during the Compact's Annual Meeting. The proposed amendments were published for 60-day public comment period with written comments due by March 1<sup>st</sup>. Several amendments were recommendations from the Governance Review conducted by Squire Patton Boggs in 2020. Director Dunning noted two sets of comments were received during the comment period – one from Ms. Hunter and the other from the Compact Office. The recommendation from Ms. Hunter was to address awkward wording in Article 7, Section 5 with respect to the electronic voting by the members of the Commission.

The second set of comments was from the Compact Office and conveys a suggestion from the Compact Officers to formalize the role for the Past Chair. The Past Chair would be a link to previous officers and current to promote continuity in terms of key issues and initiatives of the organization. Director Dunning asked Ms. Schutter to provide an overview of the proposed amendments. There were no questions for Ms. Schutter.

Hearing no other comments regarding the proposed amendments, Director Dunning closed the public hearing.

Director Dunning proceeded to the third Agenda item, the Management Committee consideration of appointments to two open seats on the Consumer Advisory Committee. Director Dunning reviewed the qualifications of the applicants. He noted Bruce Ramage, former Nebraska Director of Insurance and Jane Cline, former West Virginia Insurance Commissioner are fully retired and qualify to serve under the Consumer Advisory Committee's eligibility criteria as they have both previously served as employees for state regulatory agencies addressing consumer protection matters within the scope of the Insurance Compact's operations. Director Dunning stated an open seat will be available on the Consumer Advisory Committee later this month as Angela Lello has provided her resignation from her current position with Autism Speaks. Director Dunning thanked Ms. Lello for her time and commitment to the Consumer Advisory Committee. A motion was made by Mr. Beatty and a second was made by Commissioner Rude to appoint Mr. Ramage and Ms. Cline to the Consumer Advisory Committee. Hearing no objection, a voice vote was conducted, and the motion was passed.

Director Dunning proceeded to the report and recommendation from the Product Standards Committee. Director Dunning asked Mr. Lapham to provide the report of the Product Standards Committee. Mr. Lapham reported the Product Standards Committee is recommending the Uniform Standards subject to Phase 9 of the 5-Year Review process for public comment. The Uniform Standards are the nine group term life insurance uniform standards and one uniform standard for Incidental Guaranteed Minimum Death Benefits for Individual Deferred Non-Variable Annuities. Mr. Lapham stated as part of the Five-Year Review process, the applicable changes adopted by the Compact in prior phases of the Five-Year Review process will be presented as conforming amendments to Uniform Standards subject to Phase 9. Mr. Lapham concluded his report and noted the recommendation to the Management Committee includes a summary of recommended changes and an explanation of the change in circumstances or underlying assumptions since the rule was last adopted, amended, or reviewed, as well as comments raised but not recommended by the Committee with the reasons for not recommending these items. There were no questions for Mr. Lapham. Mr. Benchaaboun made the motion and Ms. Logue seconded. Hearing no objection, a voice vote was conducted, and the motion was passed.

Director Dunning moved to the last item on the Agenda, the Operational Update. Director Dunning asked Ms. Schutter to provide the report. Ms. Schutter reported the Commission will convene a joint meeting on April 5<sup>th</sup> in Kansas City in conjunction with the NAIC Spring National Meeting. Ms. Schutter noted the Insurance Compact Office has been working with the South Carolina Department of Insurance on their withdrawal process. She noted the Compact Office has provided guidance to the Compact filers and South Carolina will do the same once the legislation has been enacted. Ms. Schutter reported the Compact Office has made its third payment to service the debt to the NAIC. Ms. Schutter concluded her report. There were no questions.

Hearing no other matters, Director Dunning asked if there was a motion to adjourn. Mr. Beatty made a motion to adjourn which was seconded by Mr. Benchaaboun.