



Association
of Insurance
Compliance
Professionals

GREAT LAKES CHAPTER MEETING MINUTES

June 20, 2008

Networking

An informal networking session was scheduled prior to the start of the meeting; the activity provided great opportunity to meet and interact with other attendees. With 70+ attendees, it was close quarters made more comfortable with this activity!

Call to Order

The Great Lakes Chapter meeting of the Association of Insurance Compliance Professionals (AICP) was called to order at 11:00 am at the Office of the Commissioner of Insurance in Madison, Wisconsin, with the President, Vice-President, Secretary and Treasurer present.

Policy Statement

Steve LeHew read the Policy Statement.

First Time Attendees

There were many first time attendees as well as non-member attendees, including many representatives from the Wisconsin Office of the Commissioner of Insurance. All attendees were listed on the handout distributed. Welcome to all!!

Introductions

Steve LeHew, President, introduced the Chapter Officers in attendance:

Mike Hollar, Vice President
Kate Manthey, Secretary
Larry Wilk, Treasurer
Mary Keim, Regional Director

Unfortunately, schedule conflicts prevented attendance of Penny Kilberry, Past President.

Speaker

- Deputy Commissioner Kimberly Shaul provided opening remarks including the importance of insurance commerce to the State of Wisconsin and the importance of a collaborative relationship between industry and regulators.
- Charlie Rapacciuolo provided an update regarding the IIPRC and the Interstate Compact:
 - Basically, the Compact is an agreement between states and the NAIC to do business together.
 - States become compacting states by legislation, which has been slow going as some states don't like to relinquish control of their own state's product compliance.
 - There are currently 31 compacting states; this should be 35 shortly.
 - Currently, compact agreements are available for limited lines of business (mostly individual life, annuity, etc.), although standards are being developed for more products, like long term care, group life & annuity. P&C is still a ways off!!
 - IIPRC is organized in a manner that allows balance between state legislators, regulators, industry input and consumer advice.
 - By visiting the IIPRC website (<http://www.insurancecompact.org/>), you can review the product standards already adopted along with those currently in the works.
 - The goal is uniformity across states. If a state opts out of a given standard, it is out of the entire standard, not just bits and pieces of it. The change is from having desk-drawer rules to true speed to market.
- We then turned to information regarding Wisconsin's change in forms filing from prior approval to file & use:

- Diane Dambach – Health & Accident angle:
 - File & Use means it can be used 30 days after the filing has been submitted, if the product is not an exempt product (i.e., medicare, long term health)
 - This rule is effective for submissions dated 7-1-08 or later, not submissions effective 7-1-08 or later (these are still subject to prior approval)
 - A company officer must certify the filing
 - Rejections may still occur if the form numbers don't match the form schedule or if the TOI coding is incorrect – basically, if it can't be corrected in SERFF without a resubmission, the filing will be rejected
 - Filings previously deemed approved will be returned as 'filed' under the new law
 - If compliance problems are discovered after the filing is deemed 'filed', a hearing notice is issued to clear up the issues and come to resolution
- Mike Honeck – Life & Health Forms angle:
 - Basically, form review occurs at a different point in time at the insurance department than it did previously
 - The Commissioner may require a given company to continue to file on a prior approval basis for a certain time before being allowed to use the file & use process
 - Anything that becomes part of the policy is to be filed; this doesn't include **ancillary** forms as they are usually required by rule and are not part of the policy
- Rhonda Peterson – Property & Casualty angle:
 - Certain products are still subject to prior approval requirements, including workers comp, health care liability/med mal, warranty contracts, and forms with appraisal and/or arbitration clauses
 - These forms do not need to be refiled under the file & use law; they should only be filed if/when changes are made
 - Some common reasons for rejection of filings:
 - Missing forms or form numbers on the schedule
 - Form numbers on schedule do not match those submitted
 - Rate/rule and form filings must be separated
 - Filing attachments are not in .pdf format
 - Adoption/delay of RSO forms do not require a filing (but rates/rules do)
 - Withdrawal of form(s) do not require a filing
 - In SERFF, TOI code 16 for workers comp has been disabled, as these filings should go through WCRB, not OCI.
- Sue Ezalarab - comments:
 - The certificate of compliance won't be revised by the 7-1-08 effective date, but the change is in the works
 - When filings are rejected, a specific legal rule will be cited, not the statute regarding misleading, ambiguous, etc., clauses

Reports

- Secretary – Kate distributed the minutes of the March 7, 2008 meeting. With no comments or corrections, they were approved as distributed.
- Treasurer – Larry Wilk reviewed the treasurer's report, which included \$1272.06 in revenue and \$1881.33 in expenses for a balance of \$16,031.40. This report will be placed on file for audit.

Regional Director Report

Mary Keim shared the following news with us:

- Elections for the new Regional Director will begin August 1 and end on September 1.
- National conference (October 5-8 in Atlanta) planning is in the works:
 - Some pieces have been posted to the website, including a preview of the breakout sessions
 - Conference registration will begin on July 15.
 - Other chapters are interested in collaborating on a chapter activity again; the current idea is catering dinner and touring the aquarium in Atlanta (a short walk from the hotel). The Planning Committee will discuss this option at their meeting.

Unfinished Business

None

New Business

- Information on new laws, regulations, or filing information:
 - Mike Hollar – Oregon form filings – the bottom of the form cannot say ‘Form No.’ xxxx xxxx – the filing won’t be approved.
 - Laura Lemke – Oregon form filings (P&C) – when filing forms in SERFF, add the edition date to the form number in the form number field, not the edition date field (check the state-specific filing instructions).
 - Many commented on the fact that group disability & health-type filings are taking forever to be reviewed/approved in Illinois (as in six months or longer), but there was no further information as to why this is the case.
- Open positions: AAIS is looking for a P&C filer.

Announcements

- Use the Member Discussion Forum! It’s a great way to share information between meetings!
- The group of volunteers for the chapter activity at annual conference will meet via teleconference this coming Thursday (June 26). If you have additional suggestions, please forward them to Mike Hollar at Michael.Hollar@combined.com.
- An E-Day is being planned for 2009. The location is yet to be determined, and we are in the very early stages of the planning process. A meeting of this group of volunteers will be set up shortly; in the meantime, you can advise Mike of your ideas for topics/locations/willingness to help organize the event by e-mailing him at Michael.Hollar@combined.com.

Raffle

Three names were drawn for some AICP goodies at the end of the meeting. Winners were:

- Shelley McEachen
- Marie McDaniel
- Steve Nurre

Adjournment

The meeting was adjourned at 12:50 pm.