

<p style="text-align: right;">Page 29</p> <p>1 individual states in which they elected to 2 market those products. So we would not 3 consider an individual insurer's proposed life 4 insurance products as such, nor would we pass 5 on them or approve them or disapprove them. 6 Q. What did the committee do, then? 7 A. The committee dealt with national 8 insurance issues. Specific to this case, the 9 committee dealt with issues relating to 10 illustrations. Misrepresentations in 11 illustrations during this period of time was a 12 significant issue. We dealt with solvency 13 matters relating to life insurance companies. 14 We dealt with all of the regulatory apparatus 15 that comes to bear on life insurance companies, 16 illustrations, for example, being a component 17 part of the range of issues that would be dealt 18 with. 19 Q. In dealing with illustrations, did 20 you or that committee have occasion to find 21 that Aetna's illustrations were somehow 22 improper? 23 A. Well, again, the work of the NAIC and 24 specifically, counselor, in answer to your 25 question, our work would not generally make</p>	<p style="text-align: right;">Page 31</p> <p>1 solutions to the problem. 2 BY MR. SWIRBALUS: 3 Q. And -- 4 A. I'm finished with my answer. 5 Q. You are? 6 A. Yes, I am. 7 Q. In that effort in order to determine 8 or articulate what problems in general there 9 might be, would the committee review the 10 insurance practices of specific companies? 11 A. They might, though that would be, 12 that would not occur with much frequency. The 13 tools to identify issues ranged from surveys of 14 regulators, surveys of agents, for example, and 15 for that matter, surveys of insurance 16 companies. In addition, it was not uncommon 17 for insurance companies themselves, life 18 insurance companies or the trade associations 19 such as the American Council on Life Insurance 20 to bring forward matters that they had, the 21 industry itself had perceived in the 22 marketplace and bring those issues forward for 23 regulatory consideration. 24 Q. Do you recall whether Aetna brought 25 forward any such issues?</p>
<p style="text-align: right;">Page 30</p> <p>1 findings against, about, for an insurance 2 company. We would make determinations as to 3 difficulties in the marketplace in general or 4 problems or issues in the marketplace in 5 general, and we would consider proposals to 6 address those problems. 7 Q. When you were making determinations 8 as to I think you said problems in the 9 marketplace -- 10 A. Yes. 11 Q. -- were any of those perceived 12 problems caused by Aetna? 13 MR. GILBERT: Objection. 14 THE WITNESS: It's, it's, my answer 15 is as follows: The problems that we dealt 16 with were problems that emerged in the 17 marketplace in general. We did not make 18 an effort to articulate any particular 19 insurer that was the driving force of a 20 problem. Alternatively, our job was to 21 articulate in fact what was believed to be 22 a marketplace problem, set forth the 23 marketplace problem and if in fact there 24 were regulatory or statutory solutions to, 25 to produce statutory or regulatory</p>	<p style="text-align: right;">Page 32</p> <p>1 A. I'm certain they did. But I don't 2 recall any particular issues that they did. 3 Q. You had mentioned surveys. What 4 would be the purpose of these surveys? 5 A. Surveys would be to determine -- 6 let's take a regulatory survey. Through a 7 regulatory survey, we could efficiently 8 determine and get a read through the regulators 9 in all 50 states as to whether a particular 10 matter, particular issue was in fact a 11 nationwide issue that merited national 12 attention or in fact whether it was a localized 13 issue. 14 Q. So when you say an issue, could an 15 example of an issue be the types of disclosures 16 that are being made in illustrations? 17 A. Yes. 18 Q. Was that in fact one of the issues 19 that was reviewed? 20 A. Yes. In fact, while I was insurance 21 commissioner, I oversaw a survey to that 22 effect. 23 Q. As chair of the life insurance 24 product development task force, you led the 25 development of model disclosure statements for</p>