

January 20, 1999

New York, NY

The meeting of the Board of Directors of the Stable Value Investment Association was called to order at 1:20 p.m. on January 20, 1999.

Board members in attendance: Gina Mitchell, John Milberg, Mike Wyatt, Karen Watson, Jim McDevitt, Victor Gallo, Jim Curry, Kim McCarrel, Jeff Norris, Tami Pearse, Rudy Gernert, Eric Kirsch, Jim McKay, Klaus Shigley, Robert Krebs, Kelli Hueler, Tom Obsitnik and Al Turco.

Board members not in attendance: David Wray and Bill Gardner.

Judy Wilson attended the meeting.

The minutes of the meeting of the Board of October 27, 1998 were approved unanimously, as submitted.

John Milberg reported on a number of housekeeping items. He asked that Board members review and comment on the current committee structure. John and Gina Mitchell briefly reported ongoing efforts in reviewing the Association's relationship with the Strategic Advocacy Group. Gina also reported on the work being done in updating the Association's web site.

Gina Mitchell provided a financial report. Based on her review of the Association's accounts and records and after consultation with the Association's auditor, she recommended implementation of several financial controls. Upon Gina's recommendation, the Board also established a new standing committee for Budget, Finance and Oversight. The Board asked Jim McDevitt to chair the new committee. Agreeing to serve as committee members are David McNiff, Eric Kirsch and Judy Wilson.

Al Turco provided a status report of the Working Group's proposed DOL exemption on synthetic GICs that is under consideration. The Working Group will fund the development of the proposed exemption and its advancement through the Department if the SVIA Board approves the initiative.

For the Board's consideration and review, the Working Group was asked to:

Take MetLife up on their offer to discuss their experience with the Department on a similar exemption request granted last summer.

Prepare a summary of the issues involved in the proposed exemption.

Set a timetable for working the exemption through the DOL.

Submit the final draft of the proposed exemption request for approval by the Board.

Klaus Shigley updated the Board on the Performance Measurement Task Force's work and the two approaches the Task Force was considering on performance measurement. Klaus reported that the Task Force had agreed on the concept of economic/fair market value. However, the Task Force was divided on seeking AIMR compliance which one draft recommends.

The Board asked the Task Force to:

Work with Jim McKay to seek manager input on the draft performance measurement standard.

Make a recommendation to the Board no later than the April meeting on a proposed measurement standard.

Gina Mitchell and John Milberg reported on membership, dues and the Association's value program. The Board of Directors approved the spin off of budget from the Membership and Dues Committee. The Committee will continue to be responsible for membership retention, recruitment and value program dues. Three members have resigned from SVIA: Sun Life of Canada, Safeco and Dresdner Bank. SVIA has one new member, Saint-Gobain, a plan sponsor.

To date, SVIA has collected \$194,290 in dues for 1999 from its 120 members (\$421,655 billed) SVIA has also received \$120,000 in pledges under its value program. \$90,000 has been collected, to date.

Kelli Hueler briefly reported on the work of the Communications Committee.

The meeting was adjourned at approximately 4:45 p.m.

Attached to these minutes is the February 10, 1999 memo from Gina Mitchell to the Board reporting on action items sanctioned by the Board at its January 20, 1999 meeting.

Respectfully submitted,

Alfred A. Turco,

Secretary