

April 18, 2000

To: Board of Directors

From: Gina Mitchell

Re: Action Items from April 9th Meeting

Listed below is a brief summary of the action items from the April 9 Board meeting in Palm Springs, California.

The following Board members attended the meeting: Karen Chong-Wulff, Wendy Cupps, Jim Curry, Ben D'Angelo, Mark Foley (for Jeff Norris), Bill Gardner, Vic Gallo, Wayne Gates, Susan Graef, Jackie Griffin (for Rudy Gernert), Eric Kirsch, Dan Libby, Kim McCarrel, Jim McDevitt, Jim McKay, John Milberg, Gina Mitchell, Tami Pearse, Al Turco and Karen Watson. Tom Obsitnik, Robert Krebs and David Wray were unable to attend the meeting.

SVIA members in attendance included Kappi Bogart, Peter Bowles, Paul Donahue, Victor Chiu, Sandy Koppel, Marla Kriendler, Robert Madore, Ken Quann, Vicky Paradis, and Kevin Smith.

Asset Allocation Models. Wayne Gates reviewed a draft paper that outlined how stable value should be treated in generic asset allocation models for the Board noting that the Task Force would review the draft on Tuesday. Wayne noted that wrappers had concerns over tactical uses of models that may encourage arbitrage opportunities. The Board gave positive feedback on the direction of the draft paper. The Board encouraged the Task Force to accelerate its efforts to finalize the draft paper before the October Forum; meet with the developers of asset allocation models; develop an asset allocation model that considered stable value; and consider using a consultant if this would add value and increase the Association's effectiveness.

Form 5500. Jim McKay and Al Turco reported on the confusion regarding stable value and Form 5500. The ambiguity on how stable value is reported on 5500 Schedule H is not new. It was heightened with the issuance of the revised form. The Board agreed to seek clarity that book value reporting of synthetics and wraps was permitted on Schedule H for next year's reporting cycle.

Bylaws & Guidelines. The Board approved the revised bylaws that clarified the Board of Directors were not compensated for services. Guidelines for Board service and the nomination process were also approved.

Annual Meeting. Tami Pearse suggested that SVIA host a special meeting for change agents such as asset allocation model developers and consultants to brief them on stable value in conjunction with the Annual Meeting.

Paid Feature. Eric Kirsch suggested that SVIA build on its public relations initiative by running a paid feature on stable value in a mainstream investing publication such as Money or Smart Money. The Communications & Education Committee was charged to look into what was involved with placing such a feature by the June Board meeting.

June 14-15, 2000. The next Board of Directors' meeting will be held on June 14-15 at the Monarch Hotel in Washington, D.C. A \$225 room rate has been arranged with the Monarch Hotel for the June meeting.