



Stable Value Investment Association

memorandum

to: SVIA Board of Directors
from: Nick Caggia
date: May 9, 2002
re: Meeting Action Items

The SVIA Board of Directors met at the Hotel Monteleone in New Orleans, LA. Board members in attendance were: Board Chair, Eric Kirsch, Deutsche Asset Management; Don Butt, Qwest Asset Management; Karen Chong-Wolff, DuPont Capital Management; Rick Cook, GE; Nat Duffield, Halliburton; Aruna Hobbs, AEGON Institutional; Bob Madore, T. Rowe Price; Marc Magnoli, J.P. Morgan Chase; Jim McKay, American Express; Kim McCarrel, INVESCO; Gina Mitchell, SVIA; Vicki Paradis, J.P. Morgan Fleming; Steve Schaefer, Allstate Financial; and, Al Turco, Pepe & Hazard. Also in attendance were John Milberg, Pacific Life Insurance, and Jeff Norris, Dwight Asset Management.

Mission and Environmental Assessment Task Force. At the February Board meeting, members discussed the need to identify key challenges and opportunities for the stable value industry. John Milberg agreed to lead a Mission and Environmental Assessment Task Force, which would meet to identify these issues. The Task Force was split into four groups, relating to different segments of the SVIA membership: issuers, wrappers, plan sponsors, and managers. Listed below are members of each group:

<u>Issuers</u>	<u>Wrappers</u>	<u>Plan Sponsors</u>	<u>Managers</u>
Jim Aguilar	Henry Kao	Karen Chong-Wulff	Peter Bowles
Gary Bacchiocchi	Rob Leary	Mark Devine	Rob Capaldi
Rick Cook	Marc Magnoli	Nat Duffield	Doris Fritz
Aruna Hobbs	John Moroney		Bruce Goode
Ken Quann	Jim McDevitt		Paul Lohrey
Steve Schaefer	Bob Whiteford		David Starr
Kevin Smith			

The task force has completed the first part of its report by identifying issues unique to each subgroup and to the industry as a whole. Those issues were provided in a memo to the Board at the April meeting. The task force is now charge with prioritizing the issues from an industry perspective for the June Board meeting. The final report will detail these issues and provide solutions on how the Association can be used to help the membership successfully address these issues. The report will be presented at the October 17th Board meeting in Washington, DC.

Antitrust Issues. Al Turco provided documentation that discussions by our provider membership in the Task Force did not raise antitrust concerns. In fact, discussions among the membership including at the SVIA Annual Meeting did not raise concerns since buyers, both managers and plan sponsors, serve as natural market forces to prevent any and all suggestions to set prices or terms of stable value products.

National Forum. Gina Mitchell unveiled the theme for the 2002 SVIA National Forum, “Navigating the Big Three: Demographics, Market Performance, and Individual Choice.” The Forum will be held at the Ritz Carlton Hotel in Washington, DC, on October 15-17, 2002. The Forum Planning Committee: Ben Allison, (INVESCO) Wayne Gates, Eric Kirsch, Kim McCarrel, Jim McDevitt, John Milberg, Richard Taube (Pacific Life), Chris Toby (AEGON), are finalizing the program.

Press Relations. Gina Mitchell offered an update on outreach to the media. Many articles have appeared in print this year, and the *Today Show* also did a piece highlighting stable value. Gina and Kim McCarrel met with a reporter from the Times-Picayune in New Orleans during the conference as part of an ongoing outreach to the press.

SVIA Website. Members discussed the growing interest in the SVIA website. The number of “hits” on the site has grown over the past few months, partly due to increased media attention and the volatile equity market. In the final quarter of 2001, the average number of hits was 40,904 per month. In the first quarter of 2002, that number rose to 48,817. I was tasked with increasing the number of outside sources that have links to the site and with continuing the increase in the number of hits by keeping the website content up-to-date and updating SVIA’s listings on popular search engines.

Stable Value Poll. Kim McCarrel reported that the Greenwald stable value poll was in the field: 500 active and 300 retirees were being questioned. Preliminary poll results will be in prior to Memorial Day. The poll will be used to launch a public relations campaign in the media and on Capitol Hill throughout the Summer.

SVIA Sixth Annual Survey. Steve Schaefer gave an update on the Policy Survey. Results were in and a preliminary report was vetted by the committee. The final report is due to the full membership by May 17 and will be posted on the SVIA website ASAP. The survey will also be used as a press opportunity for the mainstream and trade press.

Government Relations. Jim McKay reported on a number of meetings that were held in March with members of the House of Representatives [John Boehner (R-OH), Sam Johnson (R-TX), Charles Rangel (D-NY), and Ben Cardin (D-MD)] and the Senate [Chuck Grassley (R-IA), Judd Gregg (R-NH), Fritz Hollings (D-SC), Ted Kennedy (D-MA), John McCain (R-AZ)]. He also informed the Board of the passage of legislation in the House, which includes a section dealing with investment advice that SVIA supports.

The Senate is continuing its work on pension reform. It’s legislation will likely be far different from the House bill and will be cause for more visits to Capitol Hill. The Committee is monitoring events in the Senate and will update the membership as details become available.

Membership Update. Rick Cook reported that, despite difficult financial times and a slow start – dues were off by \$60,000 at the end of last year – SVIA membership dues are ahead of the previous three years. SVIA has also met its Value Program target of \$175,000, and will exceed it by \$15,000 with all current commitments.

February Board Minutes. Attached are the minutes of the February Board Meeting for your review and approval. If you have comments/revisions, please contact me by May 17. Otherwise, SVIA will assume you have approved the minutes.

Meetings. Board meetings will be held on June 5-6, in New York at the J.P. Morgan offices and October 17, at the end of the National Forum.