

October 18, 2004

To: SVIA Board of Directors

From: Gina Mitchell

Re: Action Items from October 12, 2004 Meeting

SVIA's Board of Directors met on October 12 from 2:00 to 5:00 p.m. The following individuals participated in the meeting: Ben Allison, John Axtell, Don Butt, Peter Chabot, Karen Chong-Wulff, Rick Cook, Jill Cuniff, Wendy Cupps, Laura Dagan, Mark Devine, Nat Duffield, Ralph Egizi, Bill Finely, Robert Fox, Aruna Hobbs, Robert Madore, Marc Magnoli, Kim McCarrel, Jim McDevitt, Jim McKay, Mike Norman, Vicky Paradis, and Al Turco.

Listed below are the action items from the October meeting.

Committee Structure Approved. The Board unanimously approved the new committee structure that merges seven committees into five. Former committee and task force functions were absorbed into the new structure. An overview is provided below.

Committee	Committee Task Forces
Accounting	Domestic Issues
	Global Convergence
Communication & Education	Media Team
	Stable Times Editorial Board
	Best Practices
Data & Research	Asset Allocation
	Investment & Policy Survey
Government Relations	Government Relations
	Mutual Funds
Membership & Budget	Budget, Dues and Oversight
	Mission & Environment
Forum Planning	N/A

Additionally, SVIA will dialogue with committee chairs and their respective membership to ensure they wish to continue on the new five-standing committees.

Board of Directors Election. SVIA will hold its third Internet-based election for the Board of Directors after the Annual Forum. The membership will vote to fill

eight seats; three plan sponsor and five service firm seats. Members are asked to serve for three-years beginning January 1, 2005.

Seven individuals are running for the five service firm seats. They are Ben Allison, INVESCO; JoAnne Davis, State Street; Doris Fritz, Fidelity; Bob Madore, T.RowePrice; Marc Magnoli, JPMorgan Chase; Ken Quann, New York Life; and Adam Silver, Royal Bank of Canada. Three plan sponsors are also running. They are Don Butt, Qwest; and Mark Devine, AT&T; and Bob Fox, CIRS.

Three Retire From Board. Three members have filled the two-term limit on SVIA's Board of Directors. They are Kim McCarrel, Jim McDevitt and Jim McKay. The Board recognized the tremendous contributions the three have made to SVIA and the industry over the past six-years.

Chair Positions. The restructuring of SVIA's committees and the retirement of three long-term Board members opens two chair positions. The Board decided to fill these positions after the October meeting and Board elections.

New Dues Structure Approved. The Board unanimously approved the dues increase for the service firm members. Service firm member dues will increase from \$5,000 to \$6,000 in 2005. Additionally, the Board approved an increase for Forum registrations of 20 percent for all Forum attendees.

2005 Budget Approved. The Board also approved the 2005 budget.

Communication & Education. Kim McCarrel reported that SVIA had been successful in its press response to control the potential downside of the SEC mutual fund review. SVIA's four principal messages had been incorporated in all articles: the inquiry was not a result of wrong doing or complaints; responses to the inquiry are an individual mutual fund decision; the inquiry is not an issue for stable value in 401(k) plans; and, investors and public policymakers should "morn the loss" of stable value mutual funds.

Data & Research. Marc Magnoli reported that SVIA had successfully transitioned the Annual Stable Value Investment and Policy Survey to the Internet. The Committee will be reviewing the 2004 survey data needs shortly. Additionally, he announced that the SVIA-LIMRA survey would be asking for more funding agreement related information. However, individuals still had concerns about the validity of the SVIA-LIMRA numbers.

Forum. Gina Mitchell reported that attendance for the Forum was down by roughly 20 percent. Despite the drop in attendance, expenses were reduced significantly. She anticipated that SVIA would exceed its net revenue goal of \$40,000 for the conference. SVIA's next two forums will be held at the Ritz Carlton in Washington, D.C. on October 12-15, 2005 and October 18-20, 2006.

Government Relations. Jim McKay gave a brief update on stable value mutual funds. Additionally, he reported that concerns regarding the valuation of commingled stable value funds had been raised before the AICPA's Investment Companies Expert Panel, which addresses commingled and mutual fund issues for the accounting community. The Board agreed that SVIA should reach out to the AICPA to dialogue on this issue. Additionally, the Board asked that SVIA find an accounting expert who had experience with the AICPA, FASB, employee benefit plans and stable value to assist and help guide SVIA on core-accounting issues.

Membership. Rick Cook reported that SVIA had met its Value Program goal of \$160,000. However, membership was slightly below the \$315,000 target since three service firms chose not to renew their membership.

Next Meetings. The following meeting dates and locations have been set for 2005-2006.

January 18-19, 2005
Washington, DC

March 29-30, 2005 at PIMCO
Newport Beach, CA

June 21-22, 2005 at AEGON
Louisville, KY

October 18-20, 2005
Annual Forum at the Ritz Carlton in Washington, DC

October 10-12, 2006
Annual Forum at the Ritz Carlton in Washington, DC

The Board asked that SVIA consider moving the June meeting dates to eliminate a conflict for some of the plan sponsor members. SVIA is looking at the first and second weeks in June as alternatives.

Attachment: 2005 Budget
Approved June Action Items