



November 18, 2011

To: SVIA Board of Directors

From: Gina Mitchell, SVIA

Re: Action Items from November 16th Board of Directors' Meeting

SVIA's Board of Directors met on November 16th at the Fairmont Hotel in Washington, D.C. All members of the Board were in attendance. They included: Ed Adams, Tony Camp, Pete Chappellear, Jordan Culp, Terry Finan, Aruna Hobbs, Warren Howe, Jim King, Steve Kolocotronis, Steve LeLaurin, Marc Magnoli, Sharon Parkes, and Marijn Smit. Several SVIA members were also in attendance. They are listed below:

John	Allen	Dwight Asset Management Company LLC
Leonard	Aplet	Columbia Management
Mark	Auriemma	State Street
John	Barnas	Prudential Financial
Bradie	Barr	AEGON Stable Value Solutions
John	Barrasso	Prudential Financial
Le Ann	Bickel	Invesco Advisers, Inc.
Becki	Brady	SVIA
Rachel	Burns	NISA Investment Advisors, LLC
Gladys	Casas	State Street
Ling	Chiu	INVESCO Advisers, Inc.
Jeffrey	Chow	AIG Financial Products Corporation
Jeffrey	Clark	Prudential Financial
Matthew	Condos	ING
David	Cruz	New York Life Investment Management LLC
Paul	Curran	Bank of America Merrill Lynch
Jon	Debow	JPMorgan Chase Bank, N.A.
Joshua	Durham	AEGON Stable Value Solutions
Joe	Fazzino	UTC
Todd	Ferrie	New York Life Investment Management, LLC
John	Fischer	Mutual of Omaha
Marty	Fleischman CFA	Mutual of Omaha
Justin	Goldstein	JPMorgan Asset Management
Bruce	Goode	Goode Investment Management Inc.
Brett	Gorman	PIMCO
Susan	Graef	The Vanguard Group

David	Graham	Pacific Life Insurance Company
Felicia	Grumet	Bank of America Merrill Lynch
Eric	Hausenauer	Aviva Investors
Sharon	Hoppel	Dwight Asset Management Company
Terry	Hotchkiss	Principal Financial
Rajen	Jadav	AllianceBernstein Management
Vicki	Jared	Invesco Advisers, Inc.
Peter	Jenks	Metropolitan Life Insurance Company
Gerald	Katz	Diversified Investment Advisors
Kevin	Kehres	Fischer Francis Trees and Watts, Inc.
Eric	Kohli	Hartford Life Insurance Company
Stephen	Kolocotronis	Fidelity Investments
Joan	Larsen	Prudential Financial
Mark	Ljubich	Bank of America Merrill Lynch
Anthony	Luna	T. Rowe Price Associates Inc.
Philip	Maffei	TIAA-CREF
Thomas	Manente	ING
Carl	Marcantonio	Prudential Financial
Marian	Marinack	Federated Investment Management Company
Dick	Mattison	AEGON Stable Value Solutions
Rob	McEvitt	Fiduciary Capital Management Inc.
James	McKay	Columbia Asset Management
<i>William</i>	<i>McLaren</i>	<i>Lincoln Financial</i>
Brooke	McNutt	Federated Investors Trust Company
Greg	Miller-Breetz	AEGON Stable Value Solutions
Jessica	Mohan	JPMorgan Chase Bank, N.A,
Jacky	Morin	Jackson National Life
Helen	Napoli	New York Life Investment Management LLC
Paula	Novick	Galliard Capital Management Inc.
Robert	O'Keefe	Sidley Austin LLP
Jessica	Ouellette	ING
Jeff	Paguirigan	Prudential Financial
Brandon	Parrish	State Street Corp
Marc	Pasciucco	Dwight Asset Management
Greg	Pereiro	Invesco Advisers, Inc.
Mark	Pherson	AEGON Stable Value Solutions
Sai	Raman	AIG Financial Products
Frederick	Ramos	State Street
Matthew	Rauseo	BlackRock
Dan	Riley	NISA Investment Advisors LLC
Lucas	Robustelli	Metropolitan Life Insurance Company
Steven	Schaefer	ING
Jeff	Stein	Bank of America Merrill Lynch

Tim	Stumpff	Morley Financial Services
Pauliina	Swartz	State Street Bank & Trust
Aziz	Syed	John Hancock Financial Services
Lee	Wallingford	State Street Bank & Trust Company
Tressa	Webb	Fidelity Investments
<i>Robert</i>	<i>Whiteford</i>	
Kenneth	Zlotnick	Prudential Financial

Communications & Education. Marijn Smit, the new Chairman of the Communications and Education Committee gave an update on the Committee’s activities. He reported that the use of Members’ Only to post all Association initiatives and key information coupled with email alerts was working well to keep the membership informed.

He noted that the next issue of Stable Times, SVIA’s biannual publication, will highlight many of the sessions from the Fall Forum. Randy Myers, a freelance financial reporter, writes the bulk of the articles for Stable Times. All articles are reviewed by the Stable Times Editorial Board. The newsletter will be available towards the middle of January.

Smit noted that the bulk of the Committee’s work has been in collaboration with the Government Relations Committee to vet and finalize SVIA comment letter on the SEC-CFTC stable value study team’s 26 questions on stable value.

Membership & Budget. The Membership and Budget Committee Chairwoman, Sharon Parkes thanked the Board of Directors and the Committee on Membership and Budget for approving the 2012 budget prior to the meeting. She noted that the 2012 budget was realistic and that the Committee many need to reassess the budget if legal expenses exceed current estimates due to the SEC-CFTC study or new regulatory or legislative actions.

She noted that SVIA had exceeded all revenue expectations except for interest in 2011. SVIA finished 2011 with 18 plan sponsors and 53 service firms as members. She pointed out that expenses were in line with projections except in two areas. They were professional services due to legal fees from the SEC-CFTC study, and meeting expenses due to higher member participation. Higher meeting expenses were also offset by higher meeting revenues due to stronger attendance.

Parkes reported that Larsen Allen, the accounting firm that does SVIA’s audits and taxes will be completing their third year with SVIA. Their field work is scheduled for February 6-8, 2012. She noted that SVIA will be asking Larsen Allen and other firms to bid for SVIA’s work in 2012 to 2015.

Parkes also reported that deferred dues revenue was up drastically from 2010. As of October 31st, SVIA has collected over \$193,000, which is more than 200 percent over last year. She attributed this substantial increase to SVIA’s sending out dues notices in early September rather than October.

Data & Research. The Committee on Data & Research Chairman, Steve LeLaurin reported on the three surveys that the Committee conducts each year.

He reminded everyone that SVIA's Annual Stable Value Funds Investment and Policy Survey covers all stable value managers: individually managed funds, pooled funds and life insurance. It provides composite and segment data for the \$540 billion in stable value assets that were reported as of December 31, 2010.

The Committee also conducts the Stable Value Quarterly Characteristics Survey, which covers 25 stable value managers and as of June 31, 2011 over \$425 billion in stable value assets. The survey collects data on assets under management, crediting rates, duration, market value to contract value ratios, and credit quality.

A request was made by the Board to add data on stable value cash flows. LeLaurin noted that this request was under consideration. However, finding a way to get comparable and meaningful from all survey participants was more than difficult that it appears.

The Committee also conducts the SVIA LIMRA Stable Value Sales & Assets survey, which is a biannual survey that covers only issuers. SVIA provides the bank representation.

Government Relations. The Committee on Government Relations Co-Chairs Tony Camp and Steve Kolocotronis reported that SVIA was joined by the American Bankers Association and the Financial Services Roundtable in a response to the SEC-CFTC's study team's 26 questions on stable value funds.

They noted that the Commissions missed the October deadline for the study's completion. However, there is no penalty for the Commissions or to stable value contracts because of this lapse. They reminded the Board that the study is dependent upon final swap definition rules, which should be released in the first quarter of 2012. And, the CFTC-SEC study team has been pulled to work on other issues until that time.

Camp and Kolocotronis said that SVIA would continue to offer itself as a resource and dialogue with the Commissions, their staff and the joint study team.

Camp said that the DOL's final fee disclosure regulations are imminent. He reported that SVIA surveyed managers as to how they were implementing new fee disclosure regulations. No consensus emerged from this survey. He reported that Nick Gage and Don Myers will report on this issue at the Fall Forum.

Events. The Events Committee Chairwoman, Gina Mitchell reported that the Fall Forum created a new attendance record at 187 registrants including staff and outside speakers. Higher attendance required the Association to not only expand its room block by 15 rooms but to use the Westin Georgetown as an overflow hotel.

Strong attendance has been anticipated and incorporated for next year's Spring Seminar. The Spring Seminar is April 22-24, 2012 at the Four Seasons Trion North in Scottsdale, AZ. SVIA's room rate is \$295.

SVIA's Fall Forums for the next three years have been booked at the Fairmont Hotel in Washington, D.C. The dates and room rates are listed below.

- October 2-4, 2012 at the Fairmont \$289
- October 14-16, 2013 at the Fairmont \$279
- October 13-15, 2014 at the Fairmont \$289

Lastly, she reported that hotel chains will be asked to bid on SVIA's Spring Seminar in 2013 and 2014 in hopes to get a more competitive room rate. The Board will be asked to make a decision on locations in the first quarter of 2012.

Board Elections. Marc Magnoli reported that SVIA will be using CVENT to conduct the Board election. The process will be similar to last year, with voting beginning November 18 and ending December 5, 2011.

He reminded the membership that a company's voting member receives an electronic package that encompasses:

- An email that a vote is needed by December 5, 2011,
- Board member requirements,
- Candidates (biographies),
- Board members, candidates, and current board members who are ineligible for reelection,
- Ballot, and
- A listing of members who have cast their ballot.

He emphasized that each company has one voting member. A voting member can only vote once for the four open service seats.

He announced that the following service firm candidates were running for the four seats:

- Terry Finan, Jackson National,
- Bret Gorman, PIMCO,
- Sue Graef, The Vanguard Group,
- Steve LeLaurin, INVESCO,
- Tony Luna, T.RowePrice Group,
- Steve Schaefer, ING, and
- Tim Stumpff, Morley Financial Services.

All the candidates addressed the Board and discussed why they wished to be on the Board and what contributions they would make to the Board if elected.

Magnoli announced that the Board had voted unanimously to add Joe Fazzino, a plan sponsor with UTC to the Board to fill the seat that was vacated by Bob Whiteford. The membership will be asked to reaffirm the Board's addition of Fazzino to the Board in the November election. Fazzino will serve a three-year term beginning in January 2012.

Pooled Fund Issues. Board Chairman, Marc Magnoli reported that a small group meeting was held on July 7th to discuss pooled fund issues that impact capacity. The meeting was held at JP Morgan's office. Meeting participants were:

- Marc Magnoli, JPMorgan Chase,
- Sue Graef, The Vanguard Group,
- Leela Scattum, Galliard,
- Tony Luna, T Rowe Price Group,
- Aruna Hobbs, NYLIM,
- Tony Camp, ING,
- Mark Ljubich, BAML,
- Terry Finan, Jackson,
- Steve LeLaurin, INVESCO,
- Kappie Bogart, AEGON, and
- Jim King, Prudential.

The group identified and discussed several issues that impact capacity. The group surveyed SVIA managers and issuers on these issues. Highlights from this survey will be presented in a session at the Fall Forum. The Board agreed to continue to explore these issues and promote a dialogue between issuers and stable value pooled fund managers.

June and October Action Items Approved. The Board approved the October conference call action items on the 2012 budget and the June Board of Directors' action items.

Recognition of Board Members. The Board of Directors' recognized:

- Bob Whiteford for his many years of service to the Association and participation on the Stable Times Editorial Board by presenting him with a token of appreciation.
- Tony Camp who served for six years on the Board and as Chairman of the Government Relations Committee by presenting him with a gift.
- Jordan Culp who chose not to run for a second term due to work responsibilities by presenting him with a gift.
- Marc Magnoli who will be stepping down as Chairman and will become an ex-officio, non-voting member of the Board. Marc was also recognized at the Forum's Opening Dinner for his many years of service to the Association, the Board and his leadership as Chairman.