

GROUP TERM LIFE INSURANCE STANDARDS FOR ACCIDENTAL DEATH BENEFITS

Scope: These standards apply to Accidental death benefits that are built into group life insurance certificates (“certificate(s)) or added to such certificates by rider, endorsement or amendment. These standards accommodate Accidental death benefits for Employees and Dependents, referred to in these standards as “Covered Person(s)”.

These standards shall not apply to Accidental death benefits that include Dismemberment benefits.

Terms in these standards that are initially capped have the meanings specified in the Interstate Insurance Product Regulation Commission standards applicable for group term life insurance policies and certificates.

ADDITIONAL SUBMISSION REQUIREMENTS

The following additional filing submission requirement shall apply:

- (1) If the Accidental death benefit is filed as an attachment to a certificate and the certificate is not included in the submission, include a statement of whether the Accidental death benefit is intended for use with new issues and/or in force business.

ACCIDENTAL DEATH BENEFIT PROVISIONS

BENEFITS

- (1) The provisions shall describe the conditions that shall be met to be eligible for the Accidental death benefit. The conditions shall comply with the following:
 - (a) If death has to occur within a specified time period after the Injury occurs, the form shall also disclose the time period, but shall not be more restrictive than requiring the Accidental death to occur within 180 days following the date of the Accidental Injury; and
 - (b) The provisions may require that death be caused by an Accident but such requirement shall be without regard to the means of the Accident. The terms “Accident”, “Accidental”, “Accidental Injury”, “Accidental Bodily Injury” or “Accidental Means” shall be defined to employ “result” language and shall not include words which establish an Accidental Means test. The definition of “Injury” may not be more restrictive than “Injury means an Accidental Bodily Injury sustained by a Covered Person which is a direct result of an Accident, independent of disease or bodily or mental illness or infirmity or any other cause, and which occurs while the insurance benefit is in force”.
- (2) The provisions may include a presumption of death provision which states that a Covered Person shall be presumed to have died as a result of Accidental Injury if the aircraft or other vehicle in which the Covered Person was traveling disappears, sinks or is wrecked, and the body of the Covered Person is not found for a specified number of years from the date the aircraft or other vehicle was scheduled to arrive at its destination, or the Covered Person is reported missing to the authorities.

- (3) The provisions may also include the following additional benefits:
- (a) ***Air bag use benefit.*** In the event of an Accidental death of an Employee and/or Dependent while the Employee or Dependent is driving or riding in a passenger car equipped with an air bag for the Employee's or Dependent's seat, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or as a percentage of the amount payable for Loss of life under the certificate.
 - (b) ***Carjacking benefit.*** In the event of an Accidental death of an Employee and/or Dependent as a result of carjacking of an automobile in which the Employee or Dependent is riding, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount or as a percentage of the amount payable for Loss of life under the certificate.
 - (c) ***Child care benefit.*** In the event of an Accidental death of an Employee and/or Spouse who has Child(ren) under a specified age, such as 13, this benefit pays an additional benefit for child care provided by a licensed child care provider. Enrollment for such benefit is required within a specified period of time after the death occurs, such as 31 days. The benefit period may be capped, and overall minimums and maximums per Child may also apply.

In lieu of ending this additional benefit on the date Child(ren) are no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the amount payable for Loss of life under the certificate.

- (d) ***Child education benefit.*** In the event of an Accidental death of an Employee and/or Spouse) who has Child(ren) under a specified age or level of education, this benefit pays an additional benefit for tuition expenses incurred for the Child(ren) beyond high school, usually at an accredited college, university or vocational school. The benefit requires current enrollment or enrollment within a specified period of time after the death occurs, such as 31 days. The benefit period may be capped, and overall minimums and maximums per Child per academic year may also apply.

In lieu of ending this additional benefit on the date Child(ren) are no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the benefit payable for Loss of life under the certificate.

- (e) ***Common carrier benefit.*** In the event of an Accidental death of an Employee and/or Dependent while being transported as a fare paying passenger in a public conveyance ("common carrier"), or as a result of being struck by a common carrier, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount or as a percentage of the amount payable for Loss of life under the certificate.
- (f) ***Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation benefit.*** In the event of an Accidental death of an Employee and the Employee's Dependent

continues medical insurance as a COBRA continuation, this benefit pays an amount generally equal to the premiums due for such continuation. The benefit may be subject to annual and overall minimums and maximums, and limited to a maximum benefit period.

In lieu of ending this additional benefit on the date all Dependents are no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the benefit payable for Loss of life under the certificate.

- (g) ***Emergency or disaster response team member benefit:*** In the event of an Accidental death of an Employee as a result of an Accidental Injury occurring while the Employee is working for the Policyholder and participating as a member of an emergency or disaster response team, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount or as a percentage of the amount payable for Loss of life under the certificate.
- (h) ***Family relocation and accompaniment benefit:*** In the event of an Accidental death of a Spouse or Child as a result of an Accidental Injury while accompanying the Employee on a business trip, or while travelling with the Employee for relocation purposes, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or as a multiple of the amount that would be payable for Loss of life under the certificate, and the multiple may differ for the Spouse and Child.

In lieu of ending this additional benefit on the date a Spouse or Child(ren) are no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the benefit payable for Loss of life under the certificate.

- (i) ***Funeral expense benefit*** In the event of the Accidental death of an Employee and/or Dependent as a result of an Accidental Injury for which a death benefit is payable under the certificate, this benefit pays an additional benefit for the funeral expenses. The benefit may be stated as a flat dollar amount or as a percentage of the amount that would be payable for Loss of life under the certificate.
- (j) ***Human Immunodeficiency Virus (HIV) and/or Hepatitis Virus benefit.*** In the event of the Accidental death of an Employee who contracts the HIV or Hepatitis Virus as a result of sustaining an Accidental Injury while performing the Employee's job, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, a monthly benefit or a percentage of the amount payable for Loss of life under the certificate. A Workers' Compensation report may be required, as well as blood tests within certain time parameters.
- (k) ***Job-related injury benefit.*** In the event of an Accidental death of an Employee as a result of a job-related Accidental Injury, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or a percentage of the amount payable for Loss of life under the certificate.

- (l) **Monthly house mortgage payment benefit.** In the event of an Accidental death of an Employee as a result of an Accidental Injury for which a death benefit is payable under the certificate, and the Employee is survived by a Spouse who is a co-borrower on a mortgage, this benefit pays an additional monthly benefit if there is an outstanding balance on the mortgage. The benefit may be stated as a number of monthly mortgage payments due, capped by a specified maximum amount. The benefit ends at the earliest to occur: when the maximum benefit is paid, when the mortgage is paid in full, the Spouse dies, or the house is sold.
- (m) **Non occupational vehicle accident benefit:** In the event of an Accidental death of an Employee and/or Dependent while either is driving or riding in an automobile not being used for commercial or occupational purposes, or while a passenger in a public vehicle (such as a taxi, bus limousine, etc.), this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount or as a percentage of the amount payable for Loss of life under the certificate.
- (n) **Parental care benefits.** In the event of an Accidental death of an Employee and/or Dependent as a result of an Accidental Injury for which a death benefit is payable under the certificate and the Employee or Dependent is survived by one or more relatives (typically a parent, grandparent, or parent/grandparent in-law) who were dependent upon the deceased for support, this benefit pays an additional benefit. Support requirements can vary to include deductibility for federal income tax purposes, payment of nursing home, home health care or day care expenses, etc. The benefit amount may be stated as a flat dollar amount or as a percentage of the amount payable for Loss of life under the certificate, and may be paid on a periodic basis or in a single sum.

In lieu of ending this additional benefit on the date all Dependents are no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the benefit payable for a covered Loss under the certificate.

- (o) **Repatriation expense benefit.** In the event of an Accidental death of an Employee and/or Dependent as a result of an Accidental Injury for which a benefit is payable for Loss of life under the certificate and the death occurs beyond a specified distance from the deceased's primary residence, this benefit pays an additional benefit for charges incurred for the preparation and transportation of the body to the deceased's city of residence. The benefit pays for the charges incurred and is typically subject to an overall maximum amount.
- (p) **Seat belt use benefit.** In the event of an Accidental death of an Employee and/or Dependent while the Employee or Dependent is driving or riding in a passenger car equipped with seat belts and the person(s) who dies was wearing a seat belt, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or a percentage of the amount payable for Loss of life under the certificate.
- (q) **Spouse education benefit.** In the event of an Accidental death of an Employee who has a Spouse who is enrolled at the time of the Loss in an accredited college, university or vocational school, or the Spouse so enrolls within a specified period of time after the

death occurs, this benefit pays an additional benefit for tuition expenses incurred by the Spouse. The benefit period may be capped, and overall minimums and maximums per academic year may also apply.

In lieu of ending this additional benefit on the date a Spouse is no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the benefit payable for a covered Loss under the certificate.

- (r) ***Spouse's Loss of life as a result of a common Accident.*** In the event of an Accidental death of an Employee and Spouse as result of an Accidental Injury sustained in the same Accident or in separate Accidents that occur within a specified period of time of each other, such as 24-48 hours, and there are surviving Child(ren), this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or as a percentage of the amount payable for the Spouse Loss of life under the certificate.
- (s) ***Travel benefits.*** In the event of an Accidental death of an Employee and/or Dependent while the Employee is traveling on business for the Policyholder, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or as a percentage of the amount payable for Loss of life under the certificate.
- (t) ***Workplace felonious assault benefit.*** In the event of an Accidental death of an Employee as a result of a felonious assault occurring at the Policyholder's regular place of business, or while the Employee is travelling on business for the Policyholder, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or a percentage of the amount payable for Loss of life under the certificate.

The certificate provisions for the additional benefits shall define terms that have special meanings, describe who is entitled to the benefits, state when the benefits end and describe the terms and conditions of such benefits, including benefit amounts.

- (4) The provisions may include benefits for other Losses that are approved by the Interstate Insurance Product Regulation Commission.

NOTE: The NAIC team has concern with the vagueness of this language. This sentence appears in several standards for different lines of business.

- (5) The provisions shall state that the Employee Accidental death benefit is payable to the Beneficiary and the Dependent Accidental death benefit is payable to the Employee. The provisions may also allow benefits to be payable to other persons or entities as designated by the Employee.
- (6) The provision shall not include an aggregate limit that caps the Accidental death benefits payable for all certificates issued by the insurance company and its subsidiaries and affiliates.

AUTOPSY

- (1) The provisions may state that the insurance company reserves the right, at its expense, to request an autopsy unless prohibited by law.

EXCLUSIONS

- (1) The provisions shall specify any exclusion applicable to the Accidental death benefit. The exclusions shall be limited to the following:
 - (a) Death caused or contributed to by disease or infirmity of mind or body, or medical or surgical treatment for such disease or infirmity;
 - (b) An infection not occurring as a direct result or consequence of the Accidental Bodily Injury;
 - (c) Death caused or contributed to by any attempt at suicide, or intentionally self-inflicted injury, while sane or insane;
 - (d) Death caused or contributed to by travel in or descent from an aircraft, if a Covered Person acted in a capacity other than as a passenger;
 - (e) Death caused or contributed to by travel in an aircraft or device used for testing or experimental purposes, used by or for any military authority, used for travel beyond the earth's atmosphere;
 - (f) Death caused or contributed to by "war" or "act of war," as defined in the standards for the exclusions provision of the certificate;
 - (g) Death caused or contributed to by active participation in a:
 - Riot;
 - Insurrection; or
 - Terrorist activity;
 - (h) Death occurring while a Covered Person is incarcerated;
 - (i) Death caused or contributed to by committing or attempting to commit a felony;
 - (j) Death caused or materially contributed to by voluntary intake or use by any means of:
 - (i) Any drug, unless:
 - a) Prescribed or administered by a physician and taken in accordance with the physician's instructions, or;
 - b) An over the counter drug, taken in accordance with instructions; or
 - (ii) Poison, gas or fumes, unless a direct result of an occupational Accident;

NOTE: PSC to reconcile with individual standards (or possible amendment).

- (k) Death caused or contributed to by intoxication as defined by the jurisdiction where the accident occurred;
 - (l) Death caused or contributed to by riding or driving an air, land or water vehicle in a race, speed or endurance contest;
 - (m) Death caused or contributed to by bungee jumping;
 - (n) Death caused or materially contributed to by participation in an illegal occupation or activity;
 - (o) Death caused or contributed to by rock or mountain climbing; and/or
 - (p) Death caused or contributed to by aeronautics (hang-gliding, skydiving, parachuting, ultralight, soaring, ballooning and parasailing).
- (2) The provisions may include any other exclusions that may be approved by the Interstate Insurance Product Regulation Commission.

NOTE: The NAIC team has concern with the vagueness of this language. This sentence appears in several standards for different lines of business.

INCONTESTABILITY

- (1) If the Accidental death benefit is issued as an attachment to the certificate, the provisions may state that the insurance company shall not contest the Accidental death benefit after it has been in force during the lifetime of a Covered Person for two years from the date of issue of such benefit, except for fraud in the procurement of the benefit, when permitted by applicable law in the state where the certificate is delivered or issued for delivery.

WHEN THE ACCIDENTAL DEATH BENEFIT ENDS

- (1) The provisions shall include the following conditions under which Accidental death benefit end. Such benefits may end at the earliest of:
- (a) upon written request from the Employee;
 - (b) the date a Covered Person's group term life insurance coverage ends under the certificate;
 - (c) the end of the period for which the last premium has been paid for a Covered Person, in accordance with the provisions of the certificate;
 - (d) the date the group term life insurance policy ends; or
 - (e) the date a person ceases to be in an eligible class under the certificate.

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Under review by the Product Standards Committee

For item (e) above, the provision may allow the insurance company to end coverage at a specified point in time following the date the person ceases to be in an eligible class.

- (2) The provisions may also include a condition that the Accidental death benefit may end on the date a Covered Person retires or attains a specified age.
- (3) The provisions shall state that when the Accidental death benefit ends, this shall not prejudice the payment of benefits for any Accident that occurred while the benefit was in force.