



FILING INFORMATION NOTICE 2012-1

DATE: January 11, 2012

FROM: Karen Z. Schutter
IIPRC Executive Director

RE: **Individual Disability Income Insurance Filings**

Statutory References: Articles II(11), III(1), IV(3)-(5), and X(2) of the *Interstate Insurance Product Regulation Compact* as adopted by Compacting States.

Operating Procedure References: Sections 103 and 111 of the *Operating Procedure for the Filing and Approval of Product Filings*.

Uniform Standards: *Core Standards for Individual Disability Income Insurance Policies (IIPRC-DI-I-H11-POL), Individual Disability Income Insurance Application Standards (IIPRC-DI-I-H11-APP), Standards for Individual Disability Income Insurance Application Change Form (IIPRC-DI-I-H11-APPCH), Individual Disability Income Insurance Standards for the Outline of Coverage (IIPRC-DI-I-H11-OC), Standards for Initial Rate Filings for Individual Disability Income Insurance Policies (IIPRC-DI-I-H11-RATE), Standards for Filing Revisions to Rate Filing Schedules in Individual Disability Income Insurance Policies (IIPRC-DI-I-H11-RATECH), Standards for Forms Used to Limit or Exclude Individual Disability Income Insurance Policy Coverage Based on the Underwriting Process (IIPRC DI-I-H11-UE), Standards for Riders, Endorsements, or Amendments Used to Effect Individual Disability Income Insurance Policy Changes (IIPRC-DI-I-H11-AMEND), Individual Disability Business Overhead Expense Insurance Policy Standards (IIPRC-DI-I-H11-DBOE).*

Purpose: *Filing Information Notices explain steps or clarifications in the IIPRC's process for filing and review of product filings under the applicable Uniform Standards. This Filing Information Notice only applies to the Uniform Standards referenced above.*

BACKGROUND:

The Interstate Insurance Product Regulation Commission ("Compact") adopted eight Uniform Standards for individual disability income insurance on September 26, 2011 and an additional Uniform Standard for individual disability business overhead expense insurance on November 2, 2011 ("IDI Uniform Standards"). In accordance with Compact rules for the implementation of Uniform Standards, the Compact will accept individual disability income insurance product

filings as of January 11, 2012 and individual disability business overhead expense product filings as of February 19, 2012. All Compacting States are accepting filings submitted for approval to the Compact under the IDI Uniform Standards.

Implementation of the IDI Uniform Standards is similar to the implementation of individual long-term care insurance Uniform Standards in the following ways:

- The entire suite of individual disability income insurance products will be available for filing with the Compact all at one time.
- For new product submissions, all components of an individual disability income insurance product must be filed with the Compact.
- Other than application forms, mix and match between Commission-approved individual disability income insurance product components and State-approved individual disability income insurance components are not allowed.
- Mix and match for individual disability income insurance riders with Commission-approved and/or State-approved individual life insurance policies and annuity contracts is permissible provided all the components associated with the individual disability income insurance rider are filed and approved in accordance with the IDI Uniform Standards.
- Initial rates and rate revisions for individual disability income insurance products filed with the Compact must be submitted for review and prior approval in accordance with the IDI Uniform Standards.
- Unlike the individual long-term care insurance Uniform Standards, the submission of application forms only are eligible for mix and match with the following State product components: a policy form, rider, amendment or endorsement for disability income plans, buy-sell plans, key-person plans and business overhead expense plans.

This Filing Information Notice outlines the process and procedures associated with the submission of individual disability income insurance product filings.

FILING PROCEDURES:

A. Submission of Individual Disability Income Insurance Product Filings

1. When preparing product submissions, filers are encouraged to closely review the IDI Uniform Standards available on the Compact's Rulemaking Record of its website and to utilize the IDI Reviewer Checklists available on the Compact's Insurance Company Resources web page.
2. Filers should also review additional reference materials as follows: Creating a Filing for the Interstate Insurance Product Regulation Commission (IIPRC) on the Insurance Company Resources web page; applicable Submission Requirements in SERFF; applicable Filing Instructions in SERFF; applicable Operating Procedures on the Rulemaking Record.
3. When choosing the applicable filing type, filers shall select the correct filing type based on the type of policy forms.

- a. For a new product, a product filing submission shall include the application, policy forms, any applicable benefit features, outline of coverage, and initial rates. If an application for a new product will also be used for mix and match, the application must be filed separately as noted below (see Section E below).
- b. For new product filing submissions, the filer shall utilize the applicable filing type for **Policy Forms/Applications/Benefit Feature/Rates**.
- c. Filers wishing to submit an application for mix and match with State-approved individual disability income insurance product components shall utilize the applicable filing type of **Application** (see Section E below).
- d. Filers wishing to submit a separate application or riders, endorsements or amendments with additional benefit features to be used with an individual disability income insurance product filing previously approved by the Compact shall utilize the applicable filing type of **Application** or **Application/Benefit Feature** or **Benefit Feature**.

B. Initial Rate Schedules and Related Rate Information

1. For individual disability income insurance product filings, the Compact will utilize the Rate/Rule Schedule Tab ("Rate Tab") in SERFF. The information in the Rate Tab can be updated post-submission.
2. The Rate Filing Standards do not provide exemptions for the disability income component of certain combination life and annuity products.
3. The following information shall be submitted on the Rate Tab:
 - a. All initial rate schedules;
 - b. The Actuarial Memorandum (NOTE: This submission requirement differs from the submission requirement for individual life and annuity product filings where the Actuarial Memorandum is filed under the Supporting Documentation Tab rather than the Rate Tab).
 - c. All other pertinent or required rate information.

C. Mix and Match

1. As provided in the IDI Uniform Standards, filers shall not submit the following individual disability income insurance product components in a Compact filing for use or "mix and match" with State-approved individual disability income insurance product components: policy forms, outline of coverage, benefit feature, riders and rates. In other words, a disability income insurance policy form could not be filed with the Compact for mix and match with a State-approved disability income rider.
2. When preparing an individual disability income insurance product filing, filers will be able to access the Statement of Intent Tab within SERFF (which must be completed for mix and match filings). Other than for application-only filings (see Section E below) and combination filings (see Section D below), the Statement of Intent Tab must not be completed and the filing must not indicate "mix and match" or an objection will be issued.
3. Individual disability income insurance riders submitted to the Compact that fully comply with the IDI Uniform Standards can be submitted for use or "mix and match" with State-approved individual life or annuity product components (see Section D below).

4. Applications when filed in a separate Compact product filing submission may be mixed and matched with State-approved disability income products (see Section E below).
5. For filings that are eligible for mix and match, the filer shall indicate the filing is being submitted for "mix and match" and shall fully complete the Statement of Intent Tab. *See Filing Information Notice, 2009-4, Mix and Match Filings* for more information on the mix and match process.

D. Combination Product Filings

1. On April 14, 2011, the Compact adopted an amendment to the *Operating Procedure for the Filing and Approval of Product Filings* ("*Product Filing Rule*") to allow a product filing to include more than one Product to be used in combination provided the individual life or annuity component complies with the applicable individual life or annuity uniform standards and the individual disability income insurance component complies with the IDI Uniform Standards.
2. Combination product filings, including life or annuity policies with disability income riders, should be made using the applicable Individual Disability Income Type of Insurance (TOI).
3. When a disability income product component is filed separately and will be used in combination with another Compact product filing, a filer should indicate in the General Information section of the Compact filing that it intends to use the disability income insurance rider with a Compact-approved individual life product filing or individual annuity product filing and provide the SERFF Tracking Number.
4. A Compact-approved disability income rider may be mixed and matched with State-approved life or annuity components in accordance with Section 111 of the *Operating Procedure for the Filing and Approval of Product Filings* (see Section C above).
5. The Compact will accept application forms that combine product lines provided the forms fully comply with the applicable Application Uniform Standards for each respective product line (see Section E below).

E. Special Considerations for Application Form Filings

1. The submission of an application forms is the only product component under the IDI Uniform Standards that is eligible for mix and match with the following State product components: a policy form, rider, amendment or endorsement for disability income plans, buy-sell plans, key-person plans and business overhead expense plans.
2. When filing application forms for approval under the IDI Application Uniform Standards where the application forms will be used with both Commission-approved products and State-approved products, a filer is only required to submit the application forms in one filing as follows:
 - a) Submit the application forms in a separate application-only filing
 - b) Complete the Statement of Intent Schedule for the State-approved product components (see Section C above).
 - c) Reference in the General Information section of the Compact filing the SERFF Tracking Number.
3. Filers can submit applications for a combination of product lines provided the form complies with the Application Uniform Standards for each product line (see Section D above).

F. Rate Revision Filings

On or before December 31, 2012, this Filing Information Notice will be updated with specific information regarding the process and procedures for submitting Rate Revision Filings.

APPLICABLE IIPRC FORMS:

None

EFFECTIVE DATE:

January 11, 2011

CONTACT INFORMATION:

Questions regarding this Notice should be directed to:

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