



States, Strength & Speed Aligned

FILING INFORMATION NOTICE 2009-1

DATE: July 30, 2009

FROM: Karen Z. Schutter
IIPRC Executive Director

RE: **Return of Premium for Mix and Match in Washington State**

Statutory References: Articles II. (11), IV. (6), VII. (1), and X. (2) of the *Interstate Insurance Product Regulation Compact* as adopted by Member States.

Operating Procedure References: Sections 103 and 110 of the *Operating Procedure for the Filing and Approval of Product Filings. Uniform Standard for Additional Standards for Indeterminate Premium Endowment Benefit Features for Individual Life Insurance (including Return of Premium)*

BACKGROUND:

The Interstate Insurance Product Regulation Commission (“IIPRC”) *Operating Procedure for the Filing and Approval of Product Filings*, or “Product Filing Rule” provides a process whereby a Product Component filed for review and approved by the IIPRC may be used with an already-approved State Product Component. This has been termed “mix and match” and insurers are required to file a *Statement of Intent and Certification* with specificity of the State Product Components to be utilized with an IIPRC Product Component. *Also see Filing Information Notices 1 and 3.*

Pursuant to Section 110(b)(3) of the Product Filing Rule, an IIPRC-approved Product Component may not be combined with a State Product Component if the State determines such combination would result in inconsistent, ambiguous, unfair, inequitable or misleading clauses, or exceptions or conditions.

The IIPRC adopted the Uniform Standard for Additional Standards for Indeterminate Premium Endowment Benefit Features for Individual Life Insurance (including Return of Premium), or “Return of Premium” which became effective on June 25, 2009, after the 90-day promulgation period. As required under Section 110(b)(4) of the Product Filing Rule, the IIPRC has determined the mix and match process is appropriate for the Return of Premium Standard.

The State of Washington has advised that an IIPRC-approved Return of Premium rider, when combined with a Washington-approved term policy will fundamentally change the Washington-approved Product Component and will make that new combined product noncompliant with chapter 48.76 RCW. Therefore, Washington is not able to accept a Return of Premium Rider approved by the IIPRC pursuant to the Return of Premium Rider for “mix and match” with a Washington- approved term policy. **Please note that the State of Washington has not opted out of the Return of Premium Uniform Standard and will allow a Compact approved term plan with a Compact approved Return of Premium rider to be issued in Washington. It will also allow the “mix and match” of applications and other Non-Return of Premium forms (e.g. accidental death benefit, waiver of premium, etc.).**

FILING PROCEDURES

- An insurer submitting a product filing for approval of a rider or policy endorsement under the Return of Premium Uniform Standard that will be used with State Components shall complete the Statement of Intent Appendix 1 (“SOI”) and shall **not** select or include the State of Washington in the completion of this Submission requirement.
- The functionality in SERFF does not block a filer from selecting the State of Washington for this particular TOI or Sub-TOI. If the State of Washington is included in the SOI submitted with the IIPRC filing, the IIPRC Office will issue an objection and will work with the filer and SERFF to manually withdraw the State of Washington from the filing, which may delay disposition on the filing.

APPLICABLE IIPRC FORMS:

None.

EFFECTIVE DATE:

This Filing Information Notice is effective immediately.

CONTACT INFORMATION:

Questions regarding this Notice should be directed to:

Interstate Insurance product Regulation Commission
444 North Capitol Street, NW
Hall of the States, Suite 701
Washington, DC 20001-1509
Telephone: (202) 471-3962
Fax: (816) 460-7476

comments@insurancecompact.org