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October 16, 2023

Interstate Insurance Product Regulation Commission (IIPRC)  
444 North Capitol Street, NW  
Hall of the States, Suite 700  
Washington, DC 20001-1509  
[comments@insurancecompact.org](mailto:comments@insurancecompact.org)

**RE: *Group Term Life Insurance Uniform Standards for Accelerated Death Benefits***

Members of the Product Standards Committee:

The American Council of Life Insurers (“ACLI”) would like to offer the following comments on the proposed amendments to the *Group Term Life Insurance Uniform Standards for Accelerated Death Benefits*. Specifically, we are requesting an additional amendment to the incidental benefit requirement in Section 1.B.(1)(i).

The incidental benefit requirement presents challenges for non-employer association business, particularly for the senior market. We believe this requirement would prohibit our members from using these standards as it restricts their ability to offer a chronic illness acceleration benefit under non-employer plans.

While the incidental benefit test may be appropriate for individual policies that are fully underwritten and issued to ages primarily served in the retail market, the current approach makes passing the test very difficult for simplified issue group coverage to older age groups because it places restrictions on the incidence rate of chronic illness claims.

The current approach compares the frequency and timing of acceleration payments to the frequency and timing of death benefit payments. The test excludes the size of the acceleration benefit, therefore 1% accelerated and 100% accelerated produce the same result.

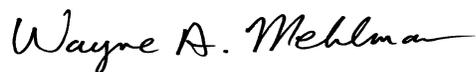
Since the need for chronic illness care significantly increases with age, this method of testing allows products to easily pass the test for people in their 30’s, but makes it much more difficult to pass for

people in their 60's. In essence, the incidental benefit requirement excludes a segment of the marketplace who would need and benefit from chronic illness protection the most.

We, therefore, request amending Section 1.B.(1)(i) of the *Group Term Life Insurance Uniform Standards for Accelerated Death Benefits* to only apply the incidental benefit requirement to qualifying events (b), (c), and (d), thereby adding a chronic illness exclusion to the existing terminal illness exclusion, as recognition that both of these triggers are permitted by Internal Revenue Code Section 101(g) with the same constraints and are widely adopted by insurers and consumers as a popular and valuable component of life insurance coverage.

Thanks for this opportunity to provide comments. If you have any questions, feel free to contact me at [waynemehlman@acli.com](mailto:waynemehlman@acli.com) or 202-624-2135.

Sincerely,

A handwritten signature in black ink that reads "Wayne A. Mehlman". The signature is written in a cursive, flowing style.

Wayne Mehlman  
Senior Counsel, Insurance Regulation