

From: [Nour Benchaaboun -MDInsurance-](#)
To: [IIPRC - Comments Shared Mailbox](#)
Cc: [Cooney, David](#); [Benchaaboun, Nour](#)
Subject: Re: Request for Comments on Amending the Uniform Standards for Waiver of Premium and Waiver of Surrender Charges for Life Policies and Annuity Contracts
Date: Wednesday, June 18, 2025 2:00:47 PM

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Thank you for the opportunity to provide comments on Behalf of the great state of Maryland. I will respond to your questions in the same order as presented in the email.

1. Yes, we have received a filing in Maryland allowing for a credit to be applied to the account value in case of hardship. Hardship was not defined and the company did not require documentation in order to pay or deny a claim. The filing is pending company response.
2. Financial Hardship must be defined to even consider it as an additional benefit. All the requirements for a valid claim must also be defined.
3. For any Federal law changes such as tax codes, we will consider it since it directly relates to Annuity benefits. Life benefits are subject to section 7702 of the Tax Code.
4. No. Maryland would not allow riders to be attached to a life or annuity policy with P&C triggers including: waivers related to natural disasters such as floods, tornados, or home displacement related to disasters. This would be a violation of §1-101(X) - Definition of life insurance.
5. In Maryland, we allow for a waiver of premium and/or waiver of surrender charges in the case of terminal illness, critical illness, Involuntary Unemployment, LTC, or Chronic illness.
6. No. A waiver of premium or a waiver of surrender charges are treated the same way. While a waiver of premium may prevent the policy from lapse, a waiver of surrender charges may increase the surrender value upon surrender only during the surrender charge period. Outside the surrender charge period, a waiver of surrender charges would not provide for any benefits.
7. Yes. We may consider Financial Hardship in annuity contracts as a benefit, if defined properly. I have not seen similar triggers in a life policy.
8. I am not sure, but I am worried about the fact that additional triggers are a way to attract more business. It is not clear to us how carriers are marketing these contracts. In other words, consumers need to understand whether they are purchasing an index annuity contract, or a Term policy, a universal policy, a deferred annuity contract, etc.
9. I am interested to hear company responses.
10. Same response as # 9.

Let me know if you have any other questions or concerns.



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On Mon, Jun 16, 2025 at 12:41 PM Insurance Compact <notice@insurancecompact.org> wrote:



Interstate Insurance Product Regulation Commission

Request for Comments on Amending the Uniform Standards for Waiver of Premium and Waiver of Surrender Charges for Life Policies and Annuity Contracts

The Product Standards Committee (PSC) is considering amendments to the Uniform Standards for Waiver of Premium and Waiver of Surrender Charges for Life Policies and Annuity Contracts. The current Uniform Standards permit waivers for the following qualifying event triggers: the diagnosis of limited life expectancy, impairment, disability, or the occurrence of unemployment.

The Compact Office requested this issue be added to the Uniform Standards Development prioritization list for 2025 due to the number of requests it has turned down from filing companies for waiver triggers.

The PSC is requesting comments about amending the categories to expand the triggers for Waiver of Premium or Waiver of Surrender Charges in the applicable Life Insurance and Annuity Uniform Standards.

The PSC is seeking input on the following questions:

1. Are companies filing riders with states to allow Waivers of Premium or Surrender Charges for certain financial hardship situations?
2. Are there specific categories of financial hardship that the PSC should consider if amending the standards?
3. Are companies filing riders with states to allow waivers due to changes in the federal tax code?
4. Are companies filing riders with states to allow waivers related to natural disasters such as floods, tornados, or home displacement related to disasters?

5. Are there other categories that should be permitted as waiver triggers and if so, why?
6. Do these categories change if it is a Waiver of Premium or a Waiver of Surrender Charge benefit?
7. Do these categories change if the waiver is attached to a life insurance or an annuity product?
8. What are the reasons companies are expanding beyond traditional triggers in Waiver of Premium or Surrender Charge benefits?
9. The PSC welcomes comments on how the companies address states' concerns, if any, that the risk triggering the benefit may be outside of the state's definition of life insurance and/or annuity business.
10. Are these additional categories (home displacement, financial hardship, changes in the federal tax code) available in the marketplace today?

Please submit your comments to comments@insurancecompact.org by **Friday, August 1, 2025**. The PSC plans a public call to discuss the comments on August 5, 2025.

If there are any questions, please contact the [Insurance Compact Office](#).

The Insurance Compact enables state insurance regulators to develop uniform national standards for asset protection insurance products, such as life insurance, annuities, disability income and long-term care insurance. The Insurance Compact establishes a central filing point for these insurance products, enhancing the speed and efficiency of regulatory decisions and allowing companies to compete more effectively in the modern financial marketplace, while continuing to provide protection for consumers.

For more information, visit the [Insurance Compact's website](#).

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