



# REQUEST FOR NEW UNIFORM STANDARDS OR CHANGES TO UNIFORM STANDARDS

NAME OF PERSON REQUESTING CHANGE: Adam Clayton

AFFILIATION: COMPACTING STATE REGULATOR

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REQUEST IS FOR: Amendment to Existing Standard

SECTION AND SUBSECTION(S) OF UNIFORM STANDARD IF APPLICABLE:

IIPRC-L-02-I §3 J;  
IIPRC-L-02-I-2 §3 J;  
IIPRC-L-04-I §3 K;  
IIPRC-L-04-I-2 §3 K;  
IIPRC-L-07-I §3 J;  
IIPRC-L-07-I-2 §3 J;  
IIPRC-L-07-I-5 §3 K;  
IIPRC-L-07-G-POL §4 N;

DETAILED DESCRIPTION OF THE REQUEST, INCLUDING THE SCOPE IF A NEW UNIFORM STANDARD, AND IF APPROPRIATE ALSO INCLUDE PROPOSED LANGUAGE CONSIDERATION:

Amendment for Consistency to Life Standards: Requiring notices send prior to lapse that are sent to the owner to now also be sent to the assignee.

Suggested language to update standard includes amending the Grace Period sections as follows with previously approved language: "The policy shall provide that a written notice will be sent to the last known address of the owner and any assignee of record at least 30 days prior to termination of coverage."

Suggested language to update standard includes amending the Loans section as follows with previously approved language: "The policy may provide that if and when the total indebtedness including interest due and accrued equals or exceeds the cash value of the policy plus the cash value of any dividend additions then the policy shall terminate, but not until at least 30 days' advance notice of termination shall have been mailed to the owner and any assignee of record. Upon termination any dividend accumulations shall be paid to the owner."

**DETAILED EXPLANATION OF THE REASON FOR THE REQUEST. IF A NEW UNIFORM STANDARD, PLEASE PROVIDE SUPPORT THAT THIS TYPE OF PRODUCT HAS BEEN FILED AND APPROVED IN COMPACTING STATES. IF AN AMENDMENT TO AN EXISTING UNIFORM STANDARDS, PLEASE PROVIDE SUPPORT FOR HOW CIRCUMSTANCES OR UNDERLYING ASSUMPTIONS (WHETHER IN REGULATION, IN THE MARKETPLACE OR OTHERWISE) HAVE CHANGED:** Uniform Standards for life products allow for assignment; however, not all standards have the same requirements to notify assignees prior to lapse. My proposal is the uniform use of previously approved language to all applicable life standards. Term Life, Whole Life, Endowment Life, Non-Variable Life, Variable Life Uniform Standards are all within the scope. The assignee, until released, has a vested interest in the continuation of the policy therefore the assignee should also receive notices prior to a policy lapsing. Recent case law and actions by state legislators have confirmed the importance of these notices.

**IS THIS CHANGE CURRENTLY ACCEPTED IN COMPACT STATES?** Unknown

**IF ACCEPTED IN THE MAJORITY OF COMPACT STATES, INDICATE STATES THAT DO NOT PERMIT THIS PROVISION.**

These standards already contain the proposed language for consideration:

IIPRC-L-02-I-1;

IIPRC-L-02-I-3;

IIPRC-L-04-I-1;

IIPRC-L-04-I-3;

IIPRC-L-06-I;

IIPRC-L-06-I-1;

IIPRC-L-06-I-2;

IIPRC-L-06-I-3;

IIPRC-L-07-I-1;

IIPRC-L-07-I-3;

IIPRC-L-09-I;

IIPRC-L-09-I-2;

IIPRC-L-09-I-1;

WOULD THIS CHANGE CONFLICT WITH ANY NAIC MODEL LAWS OR REGULATIONS? Unknown

IF YES, IDENTIFY NAIC MODEL LAW OR REGULATION. 585