

August 4, 2025

Interstate Insurance Product Regulation Commission  
1101 K Street, NW  
Suite 650  
Washington, DC 20001

**RE: Proposed Amendments to the Accidental Death Benefits and Accidental Death and Dismemberment Standards**

Members of the Product Standards Committee:

The American Council of Life Insurers (ACLI)<sup>1</sup> appreciates this opportunity to provide comments on the Compact's proposed amendments to the *Standards for Accidental Death Benefits* and the *Additional Standards for Accidental Death and Dismemberment Benefits*.

The proposed amendments would add the following language to both standards which apply to individual life insurance:

*"The proportion of the accidental death benefit amount shall not exceed more than three times the life insurance death benefit amount that the accidental death benefit is attached to within the policy or by rider or endorsement."*

ACLI strongly opposes limiting the accidental death benefit (ADB) amount to no more than three times the life insurance death benefit amount within these two standards for the following reasons:

- Since ADB (and AD&D) coverage can often be purchased at high amounts on a standalone basis, it is unclear as to the benefit of limiting the amount of ADB coverage to a particular multiple of the base life insurance policy's face amount and why 300% was chosen as the cap. Any limitation to ADB coverage, however expressed, should be reflective of a carrier's specific risk tolerances.
- The proposed limitations could have a significant negative impact on some of our members' products and the consumers who purchase them. There are many policyholders who buy low face amounts of life insurance coverage who may also want to purchase additional, higher face amounts of ADB and/or AD&D. The proposed amendments would prevent many of these individuals from obtaining the additional coverage that they want and need.

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<sup>1</sup> The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 275 member companies represent 93 percent of industry assets in the United States.

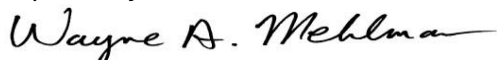
- The proposed amendments could also have unintended consequences to the graded death benefit and ADB provisions that are often included in final expense life insurance policies, especially those with guaranteed and simplified issued underwriting. These products typically provide for a graded death benefit that is based on return of premium (ROP) for the first two to three years, followed by the full death benefit after the second or third year (i.e., ROP x 1.1 in the first year; ROP x 1.2 in the second year; full death benefit in the third year and beyond). They also often have policy provisions or ADB riders that will pay the full death benefit for an accidental death that occurs during the grading period.

For example, if a final expense policy with graded death benefits has a \$90 annual premium and a full death benefit of \$1,000, the graded death benefit in Year 1 would be \$99 (\$90 x 1.1), while the ADB would be \$1,000. Similarly, in Year 2, there would be a \$216 graded death benefit (\$180 x 1.2) and a \$1,000 ADB. As a result, the ADB of \$1,000 in Years 1 and 2 would significantly exceed the proposed ADB limit of \$297 in Year 1 (300% of \$99) and \$648 in Year 2 (300% of \$216) if the proposed amendments are approved.

The proposed ADB limits would, therefore, have a negative impact on those individuals who purchase these types of products. If, despite our concerns, the proposed amendments are ultimately adopted, we would suggest a carve-out for graded death benefits that have short grading periods.

Thanks again for this opportunity to provide comments. If you have any questions, please feel free to contact me.

Respectfully submitted,



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