



TO: Interested Parties

FROM: Product Standards Committee

DATE: August 27, 2025

SUBJECT: Updated Summary of the Amendments to the *Standards For Accidental Death Benefits* and the *Additional Standards For Accidental Death And Dismemberment Benefits For Individual Life Insurance Policies*

As part of the Uniform Standards Development identification and prioritization process, the Compact Office suggested amendments to the *Standards For Accidental Death Benefits* and the *Additional Standards For Accidental Death And Dismemberment Benefits* to explicitly address its application of a ratio of the accidental death benefit (and/or accidental death and dismemberment) amount to the all-cause death benefit. These standards apply to individual life insurance policies. The Compact Office applies a ratio that limits the proportion of the accidental death or death and dismemberment benefit to three times the amount of the all-cause death benefit.

The Uniform Standards do not permit a stand-alone accidental death benefit or an accidental death and dismemberment policy. The scope of the *Additional Standards for Accidental Death Benefits* and *Additional Standards For Accidental Death And Dismemberment Benefits* require accidental death benefits to be in addition to, and not in lieu of, a death benefit payable if death occurs due to any cause. The Compact Office issued a Filing Information Notice on June 15, 2023, explaining the Compact Office approach on the acceptable ratio of the amount of an accidental death benefit in relation to an individual life insurance policy's all-cause death benefit. See Filing Information Notice 2023-2, *Proportion of Accidental Death Benefit in Relation to All Cause Death Benefit for Individual Life Insurance Forms Submitted to the Interstate Insurance Product Regulation Commission*.

The Compact Office noted that most accidental death benefit or death and dismemberment benefit features submitted for review by the Compact Office provide a benefit equal to one to three times the amount of the base life insurance benefit, with the most common providing two times the amount of the base life insurance benefit. From time to time, a rider will be submitted that provides an accidental death benefit amount that is more than three times the all-cause death benefit such as \$10,000 all-cause death benefit with \$100,000 accidental death benefit. In such cases, the Compact Office issues an objection based on the proportion of the all-cause death benefit to the accidental death benefit as an illusory life insurance benefit under the fairness provision of the applicable life insurance policy standard.

The Compact Office has informally reached out to its members to confirm the industry practice demonstrated by the Compact filings that a reasonable proportion of accidental death benefit incidental to an all-cause benefit should not exceed 3 to 1. The Compact Office presented this issue to the members of the Product Standards Committee on May 2, 2023, who agreed this was a reasonable proportion in the absence of clear guidance by way of a Uniform Standard. The draft notice was shared with the Industry Advisory Committee in June 2023.

The Compact Office submitted a request to amend the Uniform Standards in order to codify this established practice. This request appeared on the 2024 Annual Prioritization List and was carried over to the 2025 Annual Prioritization List.

The PSC considered the request and recommended adding the following provisions in the Benefits section of the Additional Standards for Accidental Death Benefits and the Additional Standards for Accidental Death and Dismemberment Benefits to address the appropriate ratio:

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.

The PSC held a public call on August 5, 2025, to receive comments. With this updated summary of the purpose of these amendments, the Products Standards Committee is extending the comment period until Friday, October 3, 2025. The PSC is accepting comments on the reasonableness of the ratio in relation to the ancillary nature of the accidental benefit. Further or amended written comments can be submitted to comments@insurancecompact.org.