

October 1, 2025

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

RE: Proposed Amendments to the Standards for Accidental Death Benefits (ADB) and Accidental Death and Dismemberment (AD&D) Benefits

Members of the Product Standards Committee (PSC):

The American Council of Life Insurers (ACLI)¹ would like to thank you for this additional 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 to both standards read:

"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."

We respectfully urge the PSC to consider the broader implications that the proposed amendments may have on consumer accessibility. For many individuals, particularly those in the lower and middle-income brackets, affordability is a critical factor in securing life insurance. Riders for ADB and AD&D benefits offer substantial coverage at a significantly lower cost than traditional all-cause life insurance, making them a vital tool for expanding access to meaningful protection.

According to 2023 CDC data, unintentional injury is the leading cause of death for individuals under age 45. In this context, higher coverage amounts made available through ADB and AD&D riders are not only cost-effective, but they can also be essential for safeguarding the financial well-being of families who are most at risk. Restricting access to these coverages could disproportionately impact vulnerable populations and undermine efforts to promote equitable insurance coverage.

We believe that some amount of life insurance must be first and foremost in a risk mitigation strategy. Even a relatively modest amount of insurance to cover final expense obligations is important to those in this target market. Supplementing life insurance with added protection from much less costly optional ADB and AD&D coverage is an excellent way for many individuals to provide added financial security to potentially financially at-risk beneficiaries, while balancing today's budgetary constraints. Life insurance - however large or small - is critical. However, placing

¹ 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.

an arbitrary limit on the amount of additional and affordable ADB and AD&D coverage that can be obtained unfairly limits the potential extra benefit being sought, and often necessary, for these beneficiaries.

While larger amounts of accident protection are valuable, we recognize the importance of avoiding the appearance of obtaining life insurance that doesn't provide meaningful coverage in order to obtain large amounts of ADB and AD&D coverage. To address this concern, we propose targeting the proposed 300% limit on ADB and AD&D benefits to those policies where the face amount of the life insurance death benefit is less than \$5,000 at the time of issue.

Our proposed targeted limit would strike a necessary balance between preserving affordability and access for consumers while ensuring transparency and avoiding illusory coverage. We also believe this approach aligns with regulatory goals of protecting consumers and promoting fair, inclusive insurance practices.

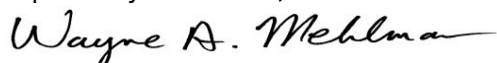
In addition, we ask the PSC to explicitly exempt graded death benefit products from the 300% limit on ADB and AD&D benefits during the early duration period. Our proposed language would clarify that the limit would be based on the ultimate face amount of the policy, not the early-year graded death benefit. Without this clarification, graded death benefit policies with ADB and AD&D riders could unintentionally be subject to the 300% limit which would limit consumer access to affordable final expense coverage.

Accordingly, we recommend the following edits to the proposed amendments:

“The proportion of the accidental death benefit amount shall not exceed more than three times (300%) the life insurance death benefit amount that the accidental death benefit is attached to within the policy or by rider or endorsement, but only if the face amount of the life insurance death benefit is less than \$5,000 at the time of issue. The 300% limit shall not apply to a graded death benefit during the early duration period.”

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

Respectfully submitted,



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