ADDITIONAL STANDARDS FOR ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

Scope: These standards apply to accidental death and dismemberment benefits that are built into individual life insurance policy forms or added to such policy forms by rider, endorsement or amendment. These standards shall not apply to accidental death only benefits.

Mix and Match: These standards are available to be used in combination with State Product Components as described in § 111(b) of the Operating Procedure for the Filing and Approval of Product Filings.

Self-Certification: These standards are not available to be filed on a self-certification basis in accordance with the Rule for the Self-Certification of Products Filed with the Interstate Insurance Product Regulation Commission.

As used in these standards, the following definition applies:

"Loss" is an accidental death or dismemberment.

As used in these standards, "dismemberment" shall include any malady described in Items 3, 4 and 5 of the Benefits Provisions of these standards.

§ 1 ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL

The following additional filing submission requirements shall apply:

(1) A statement of the types of policy forms with which this benefit will be offered, any underwriting restrictions involving face amount or age, and whether the benefit is intended for use with new issues and/or in force business.

(2) A description of the benefit for all types of forms with which the benefit will be used.

(3) The formulae, if any, used to determine the benefit, including any limitations on the amount of the benefit and sample calculations for representative issue ages, including issue age 35 if within the issue age range.

§ 2 BENEFIT PROVISIONS

A. BENEFIT

(1) The form shall describe the conditions that shall be met to be eligible for the accidental death and dismemberment benefit. The conditions shall comply with the following:

(a) If loss has to occur within a specified time period after the injury occurs, the form shall also disclose the time period, but shall not be more restrictive than requiring the loss to occur within 180 days following the date of the accidental injury; and

(b) The form may require that loss be caused by an accident but such requirement shall be without regard to the means of the accident. The terms "accident", "accidental injury" or "accidental means" shall be defined to employ "result" language and shall not include words which establish an accidental means test. The definition of "injury" may not be more restrictive than "injury means an accidental bodily injury sustained by the insured which is a direct result of an accident, independent of disease or bodily or mental illness or infirmity or any other cause, and which occurs while the insurance benefit is in force".

(2) The form may include the following:

(a) An additional indemnity benefit for loss occurring while the insured was riding as a fare-paying passenger on a public conveyance;

(b) An additional indemnity benefit for loss occurring while the insured was wearing a seat belt or the insured was riding in a seat protected by an air bag; and

(c) A presumption of death provision which states that the insured shall be presumed to have died as a result of accidental injury if the aircraft or other vehicle in which the insured was traveling disappears, sinks or is wrecked, and the body of the insured is not found for a specified number of years from the date the aircraft or other vehicle was scheduled to arrive at its destination, or the insured is reported missing to the authorities.

(3) The form shall include accidental dismemberment benefits for loss of a hand, foot, arm, and leg. The form shall include the conditions that shall be met to be eligible for each of these benefits and describe or define the loss. The descriptions and definitions may not be more restrictive than:

(a) Loss of a hand permanently severed at or above the wrist but below the elbow or loss of thumb and index finger of the same hand where the thumb and index finger are permanently severed through or above the third joint from the tip of the index finger and the second joint from the tip of the thumb;

(b) Loss of a foot permanently severed at or above the ankle but below the knee;

(c) Loss of arm permanently severed at or above the elbow; and

(d) Loss of a leg permanently severed at or above the knee.

(4) The form may also include any of the following losses: paralysis, brain damage, coma, third degree burns, or loss of sight, hearing or speech. The form shall include the conditions that shall be met to be eligible for each of these benefits and describe or define the loss. The descriptions and definitions may not be more restrictive than:

(a) Paralysis means the loss of use of a limb without severance; a physician must determine the paralysis to be permanent, complete and irreversible;

(b) Brain damage means permanent and irreversible physical damage to the brain causing the complete inability to perform all of the substantial and material duties of everyday life, and such damage shall continue for a specified period of time, not to exceed 180 days, following the date of loss;

(c) Coma means a state of deep and total unconsciousness from which the comatose person cannot be aroused, and the state shall continue for a specified period of time, not to exceed 180 days, following the date of loss;

(d) Loss of sight means permanent and uncorrectable loss of sight in the eye, and visual acuity shall be 20/200 or worse in the eye or the field of vision must be less than 20 degrees;

(e) Loss of speech means the entire and irrecoverable loss of speech that continues for a specified period of time, not to exceed 180 days, following the date of loss;

(f) Loss of hearing means the entire and irrecoverable loss of hearing in both ears that continues for a specified period of time, not to exceed 180 days, following the date of loss;

(5) The form may include benefits for other losses that are approved by the Interstate Insurance Product Regulation Commission.

(6) The form shall state that the accidental death benefit is payable to the beneficiary and other benefits are payable to the owner.

(7) 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.
(a) For a life insurance policy with early duration reduced death benefits, the life insurance death benefit amount limitation in Section 2A(7) applies to the ultimate face amount.

B. PHYSICAL EXAM AND AUTOPSY

(1) The form may state that the company reserves the right, at its expense, to have the insured examined as often as reasonably necessary while a claim for an accidental dismemberment benefit is pending.

(2) The form may also state that the company reserves the right, at its expense, to request an autopsy unless prohibited by law.

C. EXCLUSIONS

(1) The form shall specify any exclusion applicable to the accidental death and dismemberment benefit. The exclusions shall be limited to the following:

(a) Loss caused or contributed to by disease or infirmity of mind or body, or medical or surgical treatment for such disease or infirmity;

(b) An infection not occurring as a direct result or consequence of the accidental bodily injury;

(c) Loss caused or contributed to by any attempt at suicide, or intentionally self-inflicted injury, while sane or insane;

(d) Loss caused or contributed to by travel in or descent from an aircraft, if the insured acted in a capacity other than as a passenger;

(e) Loss caused or contributed to by travel in an aircraft or device used for testing or experimental purposes, used by or for any military authority, used for travel beyond the earth's atmosphere;

(f) Loss caused or contributed to by "war" or "act of war," as defined in the standards for the exclusions provision of the individual life policy;

(g) Loss caused or contributed to by active participation in a riot, insurrection or terrorist activity;

(h) Loss occurring while the proposed insured is incarcerated;

(i) Loss caused or contributed to by committing or attempting to commit a felony;

(j) Loss caused or materially contributed to by voluntary intake or use by any means of:

(i) Any drug, unless prescribed or administered by a physician and taken in accordance with the physician's instructions, or;

(ii) Poison, gas or fumes, unless a direct result of an occupational accident;

(k) Loss caused or contributed to by intoxication as defined by the jurisdiction where the accident occurred;

(l) Loss caused or contributed to by riding or driving an air, land or water vehicle in a race, speed or endurance contest;

(m) Loss occurring before the insured's first birthday;

(n) Loss caused or contributed to by bungee jumping;

(o) Loss caused or materially contributed to by participation in an illegal occupation or activity;

(p) Loss caused or contributed to by rock or mountain climbing; and/or

(q) Loss caused or contributed to by aeronautics (hang-gliding, skydiving, parachuting, ultralight, soaring, ballooning and parasailing).

(2) The form may include any other exclusions that may be approved by the Interstate Insurance Product Regulation Commission.

D. INCONTESTABILITY

(1) If the form is issued as an attachment to the policy, the form may state that the company shall not contest the form after it has been in force during the lifetime of the insured for two years from the date of issue of the form, except for fraud in the procurement of the form, when permitted by applicable law in the state where the policy is delivered or issued for delivery.

E. NONFORFEITURE VALUES

(1) If the form is issued as an attachment to the policy, the form shall state that it does not have cash values or loan values.

F. TERMINATION

(1) The form shall include the following termination conditions:

(a) Upon written request from the owner;

(b) Upon termination of the policy; or

(c) Upon nonpayment of the identifiable charge, in accordance with the provisions of the form or the policy.

(2) The form may also include the following termination conditions:

(a) The policy anniversary on which the insured attains a specified age;

(b) The date the policy lapses or is continued as extended or paid-up insurance under the nonforfeiture provisions;

(c) If the policy is an endowment policy, on the date of endowment, regardless if the endowment date is deferred.

(3) The form shall state that termination shall not prejudice the payment of benefits for any accident that occurred while the form was in force.