



TO: Management Committee

FROM: Product Standards Committee

DATE: January 30, 2026

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

The Product Standards Committee brings forth a recommendation to amend the *Standards for Accidental Death Benefits* and the *Additional Standards for Accidental Death and Dismemberment Benefits* to document a requirement that has long been applied by the Compact Office to ensure the accidental death (and/or dismemberment) benefits did not create an illusory all-cause life benefit amounting to a stand-alone accidental death (and/or dismemberment) benefit.

These two benefit feature standards were originally adopted in May 2007 as additional benefits to life insurance policies. The Compact does not have Uniform Standards for standalone accidental death policies or standalone accidental death and dismemberment policies.

From time to time, the Compact Office would object in product filings where the accidental death benefit or the accidental death and dismemberment benefit were several times the multiple of the all-cause death benefit. The grounds for the objection would be fairness in that the all-cause death benefit was illusory in relation to the exponential amount of the accidental benefit. Based on observation that the majority of these accidental benefit features submitted to the Compact were equal to one to three times the amount for the all-cause death benefit, the Compact Office has applied 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.

After consultation with the Product Standards Committee on its approach, 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*. In 2024, the Compact Office requested this approach be documented by way of amendment to these two Uniform Standards.

The PSC recommends adding the following provisions in the Benefits section of the *Standards for Accidental Death Benefits* and the *Additional Standards for Accidental Death and Dismemberment*

Amendments to the Standards For Accidental Death Benefit and the Additional Standards
For Accidental Death And Dismemberment Benefits for Individual Life Insurance Policies
Product Standards Committee
1/30/2026

Benefits:

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. After receiving questions from the industry about the background for these amendments, an updated cover memo summarizing the background and purpose of these amendments was exposed for additional comments to ensure all stakeholders had sufficient opportunity to comment prior to finalizing work on these Uniform Standards.

The PSC received two comment letters from the ACLI. One of their concerns was whether the requirement in these standards impacts the ratio of early duration death benefits to the ultimate face amount covered in the *Additional Standards for Graded Death Benefits*. In response to ACLI comments, the PSC added language to address this concern.

- (a) For a life insurance policy with early duration reduced death benefits, the life insurance death benefit amount limitation in Section 2A (5) applies to the ultimate face amount.

The proposed amendments are submitted to the Management Committee for rulemaking, including notice, comment, and consideration.