

MUTUAL OF OMAHA INSURANCE COMPANY

3300 Mutual of Omaha Plaza, Omaha, NE 68175



May 29, 2019

Karen Z. Schutter

Insurance Compact Executive Director

RE: Mutual of Omaha Insurance Company

Individual Disability Income Insurance

Return of Premium Uniform Standard

Dear Ms. Schutter:

We at Mutual of Omaha were glad to participate in the May 21, 2019, public call to discuss the new uniform standard under development for an IDI return of premium benefit. There were several follow-up items, and we can provide the following input on 2 of them.

- Cost – One regulator expressed concern about the cost of a return of premium benefit, and whether the benefit was disadvantageous for the customer and too profitable for the carrier. Please note that the ROP standard must meet the same loss ratio requirement as the non-ROP standard. This essentially means that benefits to customers for any ROP rider must be at least equivalent on a present value basis as IDI policies without ROP. It would seem that if a state is comfortable with the loss ratio under one scenario, they would be comfortable with it on the other. The new ROP uniform standard is proposing to give consumers another option that is at least equivalent based on expectations.
- ROP Filings For Past 2 Years – One caller said they had tried to research ROP filings and could find no filings having been submitted over the past 2 years. This is not surprising. The IDI product line is not a category of coverage that is typically filed frequently and some IDI carriers do not offer ROP or cash value benefit options. For example, we here at Mutual filed our last comprehensive IDI product in 2006-2007 and only now, 12 years later, are we preparing to file our next generation IDI product. This product tends to have a long shelf life.

If we may be of any further assistance to you, please do not hesitate to let me know.

Sincerely,

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