



IIPRC-L-08-LB-I-TQ

**ADDITIONAL STANDARDS FOR FORMS USED TO PROVIDE TAX QUALIFIED
PLAN PROVISIONS FOR INDIVIDUAL LIFE INSURANCE POLICIES**

1. Date Adopted: November 15, 2014
2. Purpose and Scope: These standards cover provisions that are required in individual life insurance policy forms to comply with specified tax code requirements applicable to such contracts when they are intended to be issued as tax qualified plans under such specified tax code requirements.
3. Rules Repealed, Amended or Suspended by the Rule: In accordance with the 5-year Commission Review of Rules required by § 119 of the Rule for the Adoption, Amendment and Repeal of Rules for the Interstate Insurance Product Regulation Commission, this rule amends the Additional Standards for Forms Used to Provide Tax Qualified Plan Provisions for Individual Life Insurance Policies adopted by the Interstate Insurance Product Regulation Commission (“IIPRC”) on August 27, 2008. The amendments apply only to new filings received after the effective date of the amendments. It is not necessary to resubmit previously approved forms to comply with these amendments, or to suspend use of previously approved forms that do not comply with these amendments. See the Transmittal Memo under the Standards History on the Record for a more detailed description of the amendments.
4. Statutory Authority: Among the IIPRC’s primary purposes and powers is to establish reasonable uniform standards for insurance products covered under the Interstate Insurance Product Regulation Compact (“Compact”), specifically pursuant to Article I §2, Article IV § 2 and Article VII § 1 of the Compact, as enacted into law by each IIPRC member state.
5. Required Findings: None
6. Effective Date: March 5, 2015

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ADDITIONAL STANDARDS FOR FORMS USED TO PROVIDE TAX QUALIFIED PLAN PROVISIONS FOR INDIVIDUAL LIFE INSURANCE POLICIES

Scope: These standards apply to provisions that are required in individual life insurance policies to comply with specified tax code requirements applicable to such policies when they are intended to be issued as tax qualified plans under such specified tax code.

The tax qualified plan provisions may be built into the life insurance policy or be added to such policy by rider, endorsement or amendment. The term “form” will be used in these standards to refer to the provisions that are either built into the policy or added by rider, endorsement or amendment, unless otherwise specified.

The references to “policy” do not preclude Fraternal Benefit Societies from substituting “certificate” in their forms.

Mix and Match: These standards are available to be used in combination with State Product Components as described in Section 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.

§ 1 ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL

The following additional submission requirements shall apply:

- (1) If the provision is added to the policy by rider, endorsement or amendment, the following shall be included:
 - (a) Include all forms filed for approval with the filing. Highlight changes to a previously approved form.
 - (b) If the filing is being submitted on behalf of a company, include a letter or other document authorizing the firm to file on behalf of the company.
 - (c) If the form contains variable items, include the Statement of Variability. The submission shall also include a certification that any change or modification to a variable item shall be administered in accordance with the requirements in the Variability of Information section, including any requirements for prior approval of a change or modification.

- (d) Include a listing by filing jurisdiction of the types of policies with which the tax qualified plan provisions will be used, including the policy form numbers, the corresponding approval date for these policies and any filing identification number.
- (e) Include a statement whether the form will be made a part of the policy at issue or is intended for use after the date of issue of a policy, or both.
- (f) A statement as to whether the form is intended for use with new issues and/or in force business.

B. VARIABILITY OF INFORMATION

- (1) The company shall file tax qualified plan provisions on a specific basis, where each filing accommodates only the specified tax code. The company may identify items that will be considered variable. The item shall be bracketed or otherwise marked to denote variability. The submission shall include a Statement of Variability that will discuss the conditions under which each variable item may change.
- (2) The tax qualified plan provisions to be used shall be consistent with the Statement of Variability filed for such provisions and the Statement of Variability filed for the individual life insurance policy.
- (3) Items such as officer titles and officer signatures may be denoted as variable and may be changed without notice or prior approval.

§ 2 BENEFIT PROVISIONS

A. REQUIREMENTS FOR TAX QUALIFIED PLAN PROVISIONS

- (1) If the provision is added to the policy by rider, endorsement or amendment, the following shall apply:
 - (a) The full corporate name of the company shall appear on the form.
 - (b) At least one signature of a company officer shall appear on the form if it is added after the date of issue of the policy.
 - (c) The form shall contain a statement that it is made a part of the policy, and that the form provisions apply in lieu of any policy provisions to the contrary.
 - (d) A form identification number shall appear at the bottom of the form in the left hand corner. The form number shall be adequate to distinguish the form from all others used by the company. The form number shall include a prefix of ICCxx (where xx represents the year the form was submitted for filing).

Date: 11/15/14

Adopted by the IIPRC

Additional Standards for Forms Used to Provide Tax Qualified Plan Provisions for Individual Life Insurance Policies

- (e) The form or policy specifications page shall include the following identification information: the policy number, the owner's name, the insured's name if other than the owner, and the effective date of the tax qualified plan provisions. Alternatively, if the company includes such identification information in a letter sent to an owner of an in-force policy when such letter accompanies the form, the company shall so state in the submission.
- (2) The form shall state that the tax qualified plan provisions are being added to the policy to comply with the requirements of the tax code.
- (3) The form shall specify the tax code and relevant sections requiring the tax qualified plan provisions.
- (4) The form shall identify the policy provisions that are affected by the intent to have the policy qualify under the tax code and state how the provisions are affected. For example:

“The Owner provision of the policy is changed effective January 1, 2008 so that the designated owner as of that date shall not be changed.”

“The Loans provision of the policy is changed effective July 1, 2008 so that no loans shall be available under the policy as of such effective date.”
- (5) The form shall state that the owner is responsible for compliance with the tax qualified plan provisions to prevent loss of the advantages of tax deferral and to prevent tax penalties.