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Interstate Insurance Product Regulation Commission (IIPRC)
444 North Capitol Street, NW
Hall of the States, Suite 700
Washington, DC 20001-1509
comments@insurancecompact.org

RE: Draft Group Whole Life Insurance Policy and Certificate Standards for Employer Groups

Members of the Product Standards Committee:

The American Council of Life Insurers (“ACLI”) appreciates this opportunity to comment on the Product Standards Committee’s initial draft of *Group Whole Life Insurance Policy and Certificate Standards for Employer Groups* and respond to the Questions for Industry.

General Comments:

ACLI would first like to thank you for drafting standards for group whole life policies and certificates.

We do, however, have a few suggestions. First, we would recommend that the Arbitration provision on Page 15 be deleted since many of our members do not generally agree to arbitration. Our concern is that some state regulators may decide to require this provision if it is included in the standards. If this provision is ultimately included in the standards, then it should be made clear that the provision may be included in a policy only if a carrier agrees to arbitration. We are also concerned that a carrier may be responsible for related fees in cases where an insured brings the action.

Second, we would like some clarification as to why ERISA claims procedures are specifically referenced on Page 23. Is there a specific concern with regard to them? If this provision is ultimately included in the standards, it should be made clear that the provision is not applicable for policies that are not subject to ERISA.

Responses to Questions for Industry:

Question #1: The “Account value” definition is not relevant for many of our members that do not sell current assumption group whole life products. In addition, we would like additional clarification of the definition of “Current assumption whole life insurance” since it appears to be a definition of a regular group whole life policy.

Question #2: We do not think there is a need for a definition of “Maturity date” since there may be differences in how “maturity date” is defined or operates between carriers.

Question #5: We would like clarification of the intent and applicability of the definition of “Policy period” to guaranteed premium products that pay dividends.

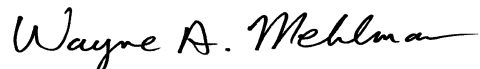
Question #6: What is the purpose of these provisions?

Question #7: We would like to see the highlighted language included in the regulation for risk mitigation purposes.

Question #8: Model 808 specifically exempts group life insurance from its scope, so it is reasonable to conclude that standards included in that Model were not contemplated for group life products. In addition, as some states have adopted Model 808 with variations, references to the Model may result in ambiguity and compliance concerns.

Thanks again for this opportunity to provide comments. If you have any questions, feel free to contact me at waynemehlman@acli.com or 202-624-2135.

Sincerely,

A handwritten signature in black ink that reads "Wayne A. Mehlman". The signature is written in a cursive, flowing style.

Wayne Mehlman
Senior Counsel, Insurance Regulation