



*States, Strength & Speed Aligned*

March 4, 2016

VIA E-MAIL & REGULAR MAIL

Katharine L. Wade  
Insurance Commissioner  
State of Connecticut  
P.O. Box 816  
Hartford, Connecticut 06142-0816

RE: Request from the Connecticut Insurance Department to Clarify the War  
Exclusion Provision in Uniform Standards for Individual and Group Life  
Insurance Policies

Dear Commissioner Wade –

We are pleased to hear that the Connecticut General Assembly is considering legislation to join the Interstate Insurance Product Regulation Compact. As Chair of the Commission, I am responding to your request for the Commission to consider amending its war exclusion provision in its Uniform Standards for Individual and Group Life Insurance Policies.

Thank you for sharing with us that Connecticut is concerned that a conflict could arise between Section (1)(a)(i) and (1)(a)(ii) of the general war exclusion provision in the Uniform Standards. Under the current wording, the provision in Section (1)(a)(i) that if “the proposed insured represents that he or she is a member of the military, military reserves, or the National Guard, whether active or inactive, the risk of death as a result of war or any act related to military service shall not be excluded from the death benefit of the policy” controls over Section (1)(a)(ii) by virtue of the intentionally-added phrase in (1)(a)(ii) of “Other than as described in (i) above.”

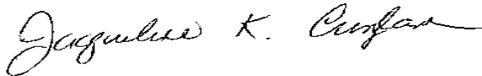
I understand your concern that the prohibition on a war exclusion for members of the military outlined in Section (1)(a)(i) was added to an archived NAIC model war exclusion provision that made it permissible to have a war exclusion for members of the military. Connecticut law unequivocally prohibits war exclusions for members of the military in life insurance policies and as we understand it, Connecticut is concerned that the additional provision in Section (1)(a)(ii) could be construed, (whether intentional or unintentional), to permit a death benefit exclusion for a member of the military that dies as a result of war.

We will include an item to review this request on our published agenda for the in-person joint meeting of the Management Committee and Commission scheduled for Saturday, April 2, 2016 at 12:30 p.m. in conjunction with the NAIC meeting in New Orleans, Louisiana. I have also forwarded this request to the IIPRC Product Standards Committee (PSC). The PSC is the committee of jurisdiction for developing, reviewing and recommending Uniform Standards to the Management Committee.

The Management Committee generally refers these requests to the PSC which will meet to review and provide a recommendation regarding the request to the Management Committee. In the event a recommendation from the Product Standards Committee includes proposed amendments to the Uniform Standards, the IIPRC's process requires such recommendation be exposed for a 60-day notice and comment period during which time a public hearing is also held. Once the exposure period has concluded, the Management Committee considers the recommendation for approval which is then followed with consideration for adoption by the full Commission. Upon adoption of an amended Uniform Standard by the Commission, the amended Uniform Standard becomes effective 90 days thereafter.

On behalf of the Commission, we look forward to working with you on this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jacqueline K. Cunningham".

Commissioner Jacqueline K. Cunningham  
IIPRC Chair