DATE:    July 31, 2012
TO:      IIPRC Management Committee
FROM:    Industry Advisory Committee
SUBJECT: Group Term Life Policy/Certificate Standards Dated
         June 19, 2012

We are submitting the following updated set of comments which include the comments
we submitted on July 16th, but also addresses a technically incorrect item (3) of the
VARIABILITY OF INFORMATION provision on page 2.

§1. ADDITIONAL SUBMISSION REQUIREMENTS

B. VARIABILITY OF INFORMATION
Page 2, Item (3)

If we left this language alone, it would prevent insurance companies and their
employers/Policyholders from making necessary changes to coverage, once issued. For
example, it would not allow an employer/Policyholder who elects to increase benefits for
all Covered Persons of a specified class to do so for in-force Covered Persons of that
class, thus resulting in a discriminatory application of the increase. Additionally, the
language would also not allow the employer/Policyholder with adverse plan experience
to decrease benefits for all Covered Persons of specified classes, existing and new, in an
effort to avoid premium increases, thus resulting in a discriminatory application of the
decrease.

We believe that plan discrimination is not an intended consequence. Accordingly, we
suggest the following substitution for item (3):

“Variability may not be used unilaterally by the insurance company to change or modify
in-force group coverage if such change or modification would have the effect of
increasing premiums or decreasing benefits, unless the Policyholder or the insurance
company has the right to effect such change or modification under the terms of the group
coverage, or unless such change or modification is required by state or federal law.”

It should be noted that if coverage is decreased, the right of the certificateholder to
convert reduced amounts would be governed by the group policy/certificate.
§2. GENERAL FORM REQUIREMENTS

A. POLICY AND CERTIFICATE STRUCTURE
Page 4, Item (3)

At the end of the first sentence, the language should read “policy or certificate.”

B. CERTIFICATES
Page 4, Item (8)

The word “how” should be deleted.

§3. POLICY AND CERTIFICATE PROVISIONS

M. FILING A CLAIM
Page 17, Item (iii)

In May, we suggested adding a new sub-item (iii):

“(iii) Alternatively, the Covered Person may complete an on-line claim form if such capability is made available by the insurance company.”

Previous sub-item (iii) becomes new sub-item (iv).

This change was not made, and we seek confirmation that if a company has such feasibility, that if such language is submitted it would be eligible for review and approval since the electronic process would be beneficial to consumers with access to a computer.

O. INCONTESTABILITY
Page 18, Item (1)(a)(iii)
Page 19, Item (1)(b)(iii)

Item (a)

In the situations where a REINSTATEMENT provision will not be included, the words “or the date of last reinstatement” need to be variable so they may be deleted. To allow the variability, we suggest that the words be changed to say “or the date of last reinstatement, if applicable.”
Item (1)(b)

In the situations where a REINSTATEMENT provision will not be included, the words “or reinstatement of insurance” and “after the increase, benefit or reinstatement has been in force” need to be variable so that the first set of words may be deleted in their entirety and in the second set of words “or reinstatement” may be deleted. To allow the variability, we suggest:

- that the first set of words be changed to say “or reinstatement of insurance, if applicable.”
- That the second set of words be changed to say “after the increase, benefit or reinstatement, as applicable, has been in force….”

We seek confirmation that companies will be allowed to file these words as variable.

W. SUICIDE
Page 24, Item (1)(a)

The semi-colon belongs after the quotation mark.

§5. POLICY AND CERTIFICATE BENEFITS

C. CONVERSION
Page 2, Item (1)(c)

Need to correct formatting.

Submitted by:

IIPRC Industry Advisory Committee:

Bill Anderson, NAIFA
Lee Covington, IRI
Tom English, New York Life
Mary Keim, State Farm Insurance Company
Miriam Krol, ACLI
Amanda Matthiesen, AHIP
Jill Morgan, Symetra
Marie Roche, John Hancock