

DATE: October 1, 2008

TO: IIPRC Management Committee

FROM: IIPRC Industry Advisory Committee

SUBJECT: Individual Annuity Application Form (Dated 7/28/08)
Individual Annuity Application Change Form (Dated 7/28/08)
Individual Life Application Form (Dated 7/28/08)
Individual Life Application Change Form (Dated 7/28/08)

GENERAL COMMENTS

Need to add periods after the section numbering in each draft. *The Life Application Change Form* has still not been re-formatted to reflect new sectional titles, as is the case with the other three drafts.

Our notes showed that several suggestions/comments that we made on July 28 were accepted, but the changes are not reflected in the drafts, and no explanation is given. We are including these for the record.

Re: Individual Life Application

Scope

In the second paragraph, add “submit” for the last “,or”: “or *submit* an application with any combination of....”.

With regard to the third paragraph, there was considerable discussion during the Term Life Core discussions to avoid making these “do not apply” statements especially in situations where standards will be developed, and that these “do not” statements are misleading potential filers who are presuming that, in the case of applications, combination applications will never be allowed in the IIPRC. We believe there was some consensus to develop some generic language that would send a more positive message as well as eliminate the need to keep going back and amending the Scope sections.

We had suggested language for the Term Life Core, but have not yet heard how that language fared. In the absence of a decision, we have been including such language in the DI and LTC standards, as well as the Group Life standards. We are suggesting that similar language be included here, as follows:

“Separate additional standards will apply for Credit Life insurance or for any combination of individual life, annuity, disability income and long term care insurance applications. Consult the Interstate Insurance Product Regulation Commission website to determine when these additional standards are available for filing.”

ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL, Page 3

In item (4)(a) and (b), the focus is on “multiple purposes”, but the words “purpose” and “use” are used to mean the same.

GENERAL FORM REQUIREMENTS

A. COVER PAGE OR FIRST PAGE, Page 6

In item (3), the focus is on “multiple purposes”, but the words “purpose” and “use” are used to mean the same.

ADDITIONAL STANDARDS FOR UNDERWRITING QUESTIONS

B. GENERAL BACKGROUND QUESTIONS, Pages 13-15

Our notes show that on July 28, there was a consensus to change the last sentence in *items (1)(c), (d), (e), (f) and (g) to say:*

“As an alternative to requesting details in the application, the application may require the completion of an Aviation/Recreational Activity/Military Service/Foreign Travel/Foreign Residency supplement which shall request details such as those described above;”

It looks like a change was made to end of item (d) which is not consistent with the similar “Alternatively” language that was left alone in items (c), (e), (f) and (g). We believe that all the items should be consistent.

In addition, with regard to *item (1)(d)*, our notes show that there was a consensus to change the language to say:

“in activities identified by the company as recreational activities, such as: motor sports events or racing.....”.

There was an extended discussion of the sentence “Open ended questions are not permitted.” and it was agreed that this could be added to every standard in the application dealing with questions, and that if the regulators believed this was necessary, it would be more appropriate to change the FAIRNESS section on page 6. We noted that the FAIRNESS section was not changed.

In the Drafting Note following item (1)(e), we had pointed out that in the last sentence, the words “To determine the active duty status” need to be changed to say “To determine the *military service* status...”. There was agreement that this was an error that would be fixed.

ADDITIONAL STANDARDS FOR UNDERWRITING QUESTIONS

E. MEDICAL QUESTIONS, Page 16

In item (1)(d), the last sentence should be changed to say:

“As an alternative to requesting details in the application, the application may require the completion of a Drug and Alcohol Use supplement which shall request details such as those described above;”

This is consistent with the comments made above.

Re: Individual Life Application Change Form

The draft has not been updated to reflect new sectional organization, as was done for the Annuity Application Change Form.

For consistency with the comments included above for the Life Application, the second paragraph of the *Scope* section should be changed to say:

“Separate additional standards will apply for forms used to make changes for applications for Credit Life insurance or for any combination of individual life, annuity, disability income and long term care insurance applications. Consult the Interstate Insurance Product Regulation Commission website to determine when these additional standards are available for filing.”

Re: Individual Annuity Application Change Form

For consistency with the comments included above for the Life Application, the third paragraph of the *Scope* section should be changed to say:

“Separate additional standards will apply to applications for any combination of individual life, annuity, disability income and long term care insurance. Consult the Interstate Insurance Product Regulation Commission website to determine when these additional standards are available for filing.”

APPLICATION SECTIONS
L. AGREEMENTS, Page 6

We had previously pointed out that with regard to *item (4)*, the Life Application was changed to say “For applications for entity owned policies,”. We suggest that the language in the Annuity Application be made consistent.

Re: Individual Annuity Application Change Form

For consistency with the comments included above for the Life Application, the second paragraph of the *Scope* section should be changed to say:

“Separate additional standards will apply to forms that are used to make changes to applications for any combination of individual life, annuity, disability income and long term care insurance. Consult the Interstate Insurance Product Regulation Commission website to determine when these additional standards are available for filing.”

There are several formatting issues, such as underlining of section 1., bolding of A. GENERAL, etc.

Submitted by:

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