



IIPRC-L-04-G-EG-WOP

**GROUP TERM LIFE INSURANCE UNIFORM STANDARDS FOR WAIVER OF PREMIUM
WHILE THE EMPLOYEE IS TOTALLY DISABLED**

1. Date Adopted: May 20, 2013
2. Purpose and Scope: The Group Term Life Insurance Uniform Standards for Waiver of Premium While the Employee is Totally Disabled apply to waiver of premium benefits that are built into group term life insurance certificates or added to such certificates by rider, endorsement or amendment. The waiver is for premiums due for a covered person in the event that the employee becomes totally disabled under the terms of the certificate. These standards also accommodate a waiver of premium benefit that becomes available in the event that the spouse becomes totally disabled.
3. Rules Repealed, Amended or Suspended by the Rule: None.
4. Statutory Authority: Among the IIPRC's primary purposes and powers is to establish reasonable uniform standards for the insurance products covered in 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: September 4, 2013

**GROUP TERM LIFE INSURANCE UNIFORM STANDARDS FOR
WAIVER OF PREMIUM
WHILE THE EMPLOYEE IS TOTALLY DISABLED
("WAIVER OF PREMIUM")**

Scope: These standards apply to waiver of premium benefits that are built into group term life insurance certificates or added to such certificates by rider, endorsement or amendment. The waiver is for *Premiums* due for a *Covered Person* in the event that the *Employee* becomes totally disabled under the terms of the certificate. These standards also accommodate a waiver of premium benefit that becomes available in the event that the *Spouse* becomes totally disabled.

Mix and Match: These standards are available to be used in combination with State Product Components as described in Section 110(b) of the Operating Procedure for the Filing and Approval of Product Filings. These standards are available to be used in combination with IIPRC-approved or state-approved group life insurance and annuity forms.

Self-Certification: These standards are not available to be filed using the Rule for the Self-Certification of Product Components Filed with the Interstate Insurance Product Regulation Commission.

As used in these standards, the following definitions apply:

“Waiver benefit” means the waiver of *Premium* due for a *Covered Person* under the certificate.

Terms not defined in these standards that are capitalized and italicized have the meanings specified in the Group Term Life Insurance Policy and Certificate Standards for Employer Groups.

§ 1 ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL

- (1) If the waiver benefit is filed as an attachment to a certificate and the certificate is not included in the submission, include a statement of whether the waiver benefit is intended for use with new issues and/or in force business.
- (2) Include a description of the benefit, including any limitations or exclusions.

§ 2 WAIVER BENEFIT PROVISION

A. BENEFIT

- (1) The provision shall describe the eligibility requirements for the waiver benefit, what life insurance amounts are eligible, the requirements for proof that the *Employee* has satisfied the conditions and requirements for the waiver benefit, and when the waiver benefit ends.
- (2) The provisions may require that total disability begin before the *Employee* attains a specified age, not less than age 60.

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- (3) The provisions shall define “total disability” or “totally disabled” on a basis not more restrictive than due to an injury or sickness the *Employee* is unable to perform the material duties of the *Employee’s* regular job and is unable to perform for remuneration or profit any other job for which the *Employee* is fit by education, training or experience.
- (4) If there is a specified period of time for which total disability must continue without interruption (the waiting period), the provisions shall specify such period and such period shall not be more than 12 months.
- (5) The provisions shall state whether *Premiums* need to be paid during the waiting period and by whom.
- (6) The provisions shall state whether or not the *Employee’s Dependent* life insurance *Premium* will be waived while the *Employee* is qualified for the waiver benefit. If the *Employee’s Dependent* life insurance remains in effect only if the *Premium* is paid while the *Employee* is qualified for the waiver benefit, the provision shall so state.
- (7) The form shall state that the *Premiums* waived by the insurance company shall not be deducted from the certificate proceeds.

B. CLAIM PROCEDURES

- (1) The provisions shall state to whom and when the *Employee* must provide notice of the *Employee’s* total disability. The provision shall also state that failure to give notice within the specified time shall not invalidate or reduce any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible.
- (2) The provisions shall state that after the waiting period ends, the *Employee* must send the insurance company, within a specified period not to exceed 12 months, required proof of the total disability and that it has continued without interruption until the end of the waiting period. The provisions shall also state that failure to furnish such proof within such time shall not invalidate or reduce any claim if it shall be shown not to have been reasonably possible to furnish such proof within such time, provided such proof was furnished as soon as reasonably possible.
- (3) The provisions may state that the insurance company has the right to require a second or third medical opinion to confirm waiver benefit eligibility.
 - (a) If the provisions reserve the right to require a second or third medical opinion, the provisions shall state that the second and third medical opinions are at the insurance company’s expense.
 - (b) The second medical opinion may include a physical examination by a physician designated by the insurance company.

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- (c) In the case of conflicting opinions, eligibility for waiver benefits shall be determined by a third medical opinion that is provided by a physician that is mutually acceptable to the *Employee* and the insurance company.
- (4) The provisions shall state that the insurance company will send the *Employee* written notice advising whether the *Employee* is approved for the waiver benefit and, if approved, the amount of the *Premium* being waived.
- (5) The provisions may state that, after the initial approval, the insurance company may periodically request additional proof of continuing total disability, but shall not do so more frequently than once every six months.
- (6) The provisions shall state that if the *Employee* dies during the waiver benefit period, *Proof of Loss* should be submitted to the insurance company after death. *Proof of Loss* includes supporting documentation that total disability continued without interruption from the date the waiver benefit started to the date of death. If the *Employee* had converted the continued coverage to an individual life insurance policy, the insurance company will pay the continued life insurance if the individual policy is returned.

C. WHEN THE WAIVER BENEFIT ENDS

- (1) The provisions may include the following conditions under which the waiver benefit shall end. The waiver benefit may end at the earliest of:
 - (a) The date of an *Employee's* death;
 - (b) The date an *Employee's* total disability ends;
 - (c) Upon the failure to provide *Proof of Loss* as requested;
 - (d) An *Employee's* refusal to be examined by a physician; or
 - (e) The expiration of a specified benefit period, such as 1 to 10 years, or an *Employee's* attainment of a specified age not less than age 65.
- (2) The provisions may include the following conditions under which the waiver benefit for a *Dependent* shall end. The waiver benefit for a *Dependent* may end at the earliest of:
 - (a) The date the required *Premium*, if any, is not paid;
 - (b) The date an *Employee's* waiver benefit ends;
 - (c) The date an *Employee* dies; or
 - (d) The date the *Dependent* ceases to be eligible under the policy.

D. CONVERSION

- (1) The provisions shall allow the *Employee* to convert the *Employee's* life insurance in effect on the date that the waiver benefit ends, unless at such time the *Employee* has returned to Active Work in an eligible class and becomes insured under the policy, or unless the *Employee* has already converted the life insurance or portion thereof. The Conversion provision of the certificate shall describe the conversion right.
- (2) The provisions shall allow conversion of the *Dependent's* life insurance if such insurance was in effect on the date that the waiver benefit ends. The Conversion provision of the certificate shall describe the conversion right.