

## **1. Discuss proposal to allow Individual Disability Income Riders.**

PSC members received an overview of a recommendation from the IIPRC Office to update the Mix-and-Match provision in the Standards for Individual Disability Income Policies to include disability income riders to be used with life or annuity products and be similar to the existing Mix-and-Match provision in the Core Standards for Individual Long-Term Care Policies. They were advised that the Product Filing Rule addresses combination product filings by requiring that the product filings must fully comply with the applicable uniform standards and the IIPRC has a track record of applying this requirement through the review of Long Term Care Riders for life and annuity products.

A question was asked about whether the IIPRC office was introducing new products and it was explained that companies have stated these products are filed with the states directly. Some members stated they would require the life portion of the filing to be reviewed in the life area while the disability income rider would be reviewed in the health area. The IIPRC staff explained that the office procedure in accordance with the Product Filing Rule would require review under two sets of standards – those for life or annuity products and those for the disability income product, and that the product would have to fully comply with both. Although member states may review riders through their health unit, the IIPRC enabling legislation includes disability income as an included product line. Members asked whether the rider would cancel if the life or annuity product cancelled. Members also asked how the pricing is handled for these products.

IIPRC staff agreed to follow up with the IAC to obtain more information about cancellation provisions and whether individual products could be offered, as well as for more detailed information regarding pricing. Members were asked to check with their staff to see if the jurisdiction does accept disability income riders.

## **2. Review comments received on the amendment to revise the Standards for Accelerated Death Benefits for individual life insurance in accordance with the 5-year Commission Review of Rules**

The PSC reviewed comments received from Foresters regarding Phase 1 of the Five-Year Review, Proposed Amendments to Standards for Accelerated Death Benefits. The first comment was in reference to §3 C. Effect of Benefit Payment on Other Benefit Provisions (1). The commenter stated that the phrase “provided to the applicant at the time of application for accelerated death benefits” was unclear and could mean at the time a claim/request for accelerated death benefits was being made.

The second comment was that in §1A. Additional Submission Requirements (2), the phrase that the statement(s) (including the new requirement) shall be included with the submission, doesn’t clearly convey whether that submission is for review and approval including an “IIPRC formatted form number” or just a submission as supporting/informational documentation.

### **Action Items:**

- The PSC agreed to the IIPRC Office recommendation to the proposed technical change in response to the first comment to more clearly convey the intent. (addition in red)

### **§3 C. EFFECT OF BENEFIT PAYMENT ON OTHER BENEFIT PROVISIONS**

(1) For forms delivered or issued for delivery in a state that may require pursuant to state law that a statement be provided to the applicant at the time of application for **a form containing** accelerated death benefits, the content of such a written statement shall comply with these uniform standards for accelerated death benefits approved by the Interstate Insurance Product Regulation Commission.

- The PSC agreed with the IIPRC Office recommendation that no change was needed in response to the second comment. The existing Standards call for a specimen issue of the
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Product Standards Committee

Call Summary

June 24, 2014

disclosure provided at the time the benefit is requested to be paid to be submitted, along with an explanation of how the disclosure will be provided. This submission should be provided on the Supporting Documentation tab and will be marked as approved upon disposition, as are other Additional Submission Requirements such as the Flesch Score Certification. The IIPRC would not want the disclosure form to be submitted on the Form Schedule with a unique ICC form number.

**Reminders:**

PSC members should review the Conforming Amendment items and Technical Change items in the IIPRC Office Report and Recommendation for Phases 2, 3 and 4 of the Five Year Review and submit any comments or questions to Anne Marie Narcini at [anarcini@insurancecompact.org](mailto:anarcini@insurancecompact.org) by **July 18, 2014**.

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