

Agenda Item 2. Receive overview of written Public Comments submitted on the Framework, Scope and Definitions that should be used in the Development of Group Disability Income uniform standards

The Chair stated that on April 28th, the IIPRC published a request for comments on the framework for development of group disability income products. The request asked for comments in several different areas, including the types Uniform Standards needed, the scope of these standards, the definitions that should be included in the standards, general requirements, key provisions, rating and actuarial requirements, and the process for review. The IIPRC received comments from the Industry Advisory Committee and from two member states.

Miriam Krol of the ACLI, representing the Industry Advisory Committee (IAC) stated that thirteen member companies worked together for more than a year to develop draft recommendations for standards for the PSC to consider. As representatives of the group disability income industry, rather than their individual companies, they would highlight key areas in the standard development.

Industry representatives provided highlights in areas including similarities and differences between group and individual disability income products; short term and long term disability; the distinction between terms such as regular job and regular occupation in defining disability; benefit triggers; the role of rehabilitation benefits; integration with other sources of benefits and the role of conversion and portability benefits. The information presented by the Industry panelists is available on the [IIPRC Event Calendar for August 26th](#).

A PSC member asked if there were statistics for the number of plans paid by the employer and those that were paid in full by the employees. Another member asked if full pay by employee made them individual products. Industry representatives responded that virtually all states do permit employee pay all plans and they are considered group plans, not individual when the employer is sponsoring the plan and providing other benefits such as administration and enrollment. Although the representatives did not have specific statistics, they said due to increased costs of all types of benefits, the trend is toward voluntary coverage with most plans being either employer full pay or partial contribution by employees, not employee pay all.

In response to a question about who decides whether a certificate holder can perform a job in a different geographic location rather than be paid for disability benefits when unable to perform his own job, industry representatives stated that cases are handled based on individual circumstances and vocational experts make the comparison between categories during the claim process.

The Chair asked if any regulators wished to address their written comments or had additional thoughts about the framework for developing group disability income standards. Missouri expanded upon their written comments that the standards should address the product as a whole rather than separate standards to avoid separate filings that are difficult to track or options that bring it outside the scope of the disability income TOI.

In response to a question about whether options such as business overhead expense would be included in the group standards, industry representatives indicated such benefits were not common in group disability income products. In response to a question about whether employers are involved with the plan design or were just provided standardized options from which to select, representatives observed that it depends on the employer. Some employers want to maintain the same benefits from prior plans requiring a subsequent provider to customize its regular offerings, others offer certain provisions with few exceptions and larger employers may wish to design their own plans in detail.

The Chair asked if there were any other comments or questions from any interested parties. There were no additional comments or questions. The Chair explained that the PSC will begin working on developing these standards and will have further public calls as needed during the process.