

Agenda Item 2. Receive updated report from the Group Disability Income Subgroup of the Product Standards Committee regarding the status of drafting of Group Disability Income Uniform Standards.

Jason Lapham, Kansas, Chair of the Product Standards Committee (PSC), provided an update on the work of the Group Disability Income Subgroup. The Subgroup meets weekly with the focus of the calls to date on the development of the Core Group Disability Income Insurance Policy and Certificate Uniform Standards for Employer Groups. The PSC had a Public Call on March 24th to hear public comments on § 7. PERMISSIBLE LIMITATIONS OR EXCLUSIONS and § 9. BENEFIT PROVISIONS. The Committee then met in a member only session to consider those comments. Mr. Lapham stated that the call today will consider public comments on these revisions as well as revisions to § 10. INCIDENTAL BENEFIT PROVISIONS. The Subgroup has now completed review all of the Core Group Disability Income Insurance Policy and Certificate Uniform Standards for Employer Groups and will begin considering other Group Disability Income Uniform Standards.

Agenda Item 3. Receive Public Comments on additional revisions to § 7. PERMISSIBLE LIMITATIONS OR EXCLUSIONS of the draft GROUP DISABILITY INCOME INSURANCE POLICY AND CERTIFICATE UNIFORM STANDARDS FOR EMPLOYER GROUPS.

The Chair noted that prior to the call, the IIPRC office distributed the redline draft of the Group Disability Income Uniform Standards which included recommendations for additional revisions to § 7. PERMISSIBLE LIMITATIONS OR EXCLUSIONS. There were no written comments received on this agenda item. Miriam Krol, ACLI, representing the Industry Advisory Committee, stated that she would submit written comments this week summarizing her oral comments on this call. She said Industry would respectfully request that the PSC reconsider its proposed changes to eliminate “caused or contributed to by” as the language in this section. She noted that the PSC gave deference to the IIPRC’s Individual Disability Income Uniform Standards language rather than the Group Accidental Death Benefits and Group Accidental Death and Dismemberment Benefits approach to exclusions, but Industry believes it would be more appropriate that these standards reflect the group insurance standards for exclusions. Industry reports that the “caused or contributed to by” language is approved in all states except CA for Group Disability Income policies.

For Item (5) Disability Not Verifiable by Objective Medical Means, Ms. Krol stated that Industry still has some concerns with the language and requested that IIPRC staff forward the Social Security Administration language referenced by the Chair during the March Public Call. Ms. Krol said that their written comments would include suggested revisions.

For Item (16) Mental or Nervous Disorders, Ms Krol stated that the Industry could not support variable language that limitations or exclusions are as permitted by State law, and opined that Vermont’s mental health parity law was not intended for disability income policies. After further discussion, Industry agreed to review documentation and provide further comments in writing.

There were no further oral comments from other parties on this agenda item.

Agenda Item 4. Receive Public Comments on additional revisions to § 9. BENEFIT PROVISIONS.

The Chair noted that there were no written comments received about this section prior to the call. Fred Nepple, representing the Consumer Advisory Committee noted that the revisions to Disability Benefits Reduced On Account of Other Benefits or Income addressed some of the CAC’s concerns but questioned how Industry applied estimates for lost wages under no-fault vehicle insurance and whether it was possible that the *Covered Person* would not be made whole if benefits from both sources were not properly coordinated. Ms. Krol said she would work with Industry representatives to provide a response.

For (m) Reduction on Account of Other Income or Benefits, Ms. Krol stated that based on the PSC proposed changes to this item, it appears to Industry that (l) and (m) now say the same thing, so the PSC may want to consider eliminating one of them.

There were no further oral comments from other parties on this agenda item.

Agenda Item 5. Receive Public Comments on § 10. INCIDENTAL BENEFIT PROVISIONS.

The Chair noted that to avoid confusion, the PSC agreed to move all the terms and definitions that were included in § 10 to § 3 TERMS AND CONCEPTS. He suggested that comments be received first regarding the Terms and Concepts before addressing other items in § 10. He noted that there were no written comments received prior to the call.

Miriam Krol provided an overview of the industry's comments regarding Terms and Concepts, and noted that they would submit the comments and recommendations in writing. For Item (9) "*Cognitive Impairment*" and Item (28) "*Hands-on Assistance*" Industry suggested changing "an individual's" to "a Covered Person's or Spouse's."

For Item (18) "*Disability*" and also in the triggers in §10 for *Activities of Daily Living* (ADL) Deficiency or *Cognitive Impairment Benefit for Covered Persons* and *Activities of Daily Living* (ADL) Deficiency or *Cognitive Impairment Benefit for Covered Persons' Spouse*, Industry suggested that if a person cannot perform two Activities of Daily Living, then that person can't perform one, so the reference to inability to perform "one or two *Activities of Daily Living*" is inappropriate. Upon further discussion with the members, it was clarified that the original drafted language by Industry in §10 of "at least two" was not appropriate since it implied that an insurance company could require more than two. It was agreed that language consistent with other Uniform Standards would be considered.

For Item (22) "*Elimination Period*," Ms. Krol noted that although Industry understood why the PSC wished to combine the definitions, as drafted it could lead to confusion and that they would provide written recommendations for change.

There were no further oral comments from other parties on the definitions.

Under §10. INCIDENTAL BENEFIT PROVISIONS, (8) Consolidated Omnibus Budget Reconciliation Act (COBRA) Insurance Premium Benefit, Ms. Krol asked that the PSC reconsider its decision to eliminate the notice requirement. She stated that the incidental benefit is only available to employees who received the COBRA availability notice for their medical insurance from the policyholder and opted to pay the required premiums within the prescribed deadlines. The appearance of the incidental benefit in a certificate may mislead *Covered Persons* to think that they have COBRA and do not need to take further action. She stated that companies also have noted that that employers mistakenly believe that including a description of the COBRA incidental benefit fulfills their federal law responsibility to provide notice.

For (13) Medical Insurance Premium Benefit (d), she noted that the problem with the change to "under a different group medical plan" is that Group Disability Income is not considered "medical" but the change could imply that it is. Industry suggests deleting the word "different."

For (15) Progressive Disease or Disorder, Ms. Krol noted that there is a *Benefit Adjustment* provision under Disability Benefits Reduced On Account Of Other Benefits or Income in §9, so the revision may need to be slightly changed to avoid confusion.

Under Item (17) Revenue Protection Benefit and Item (20) Worksite Modification Benefit for the Policyholder, it was noted that “*Noncontributory Insurance*” is a defined term so there is no need to say “100%.” Ms. Kroll also noted that the Worksite Modification Benefit does provide a benefit to the *Covered Person*.

For Item (19) “Terminal Illness Benefit,” the Industry notes that offsets can change from month to month, so the benefit in one month is not always the same as the benefit in a prior or later month. For the Eligible Survivor Benefit, Ms. Krol provided an example that the Social Security Administration does not pay disability benefits for the month in which death occurs. Industry therefore suggests that the Eligible Survivor Benefit and Terminal Illness Benefit both be changed to the “last/previous 3 months of the *Covered Person’s Disability* benefit under the certificate.”

There were no further oral comments from other parties on this agenda item.

Agenda Item 6. Receive Public Comments on Mix and Match and the use of combination products with GROUP DISABILITY INCOME INSURANCE POLICY AND CERTIFICATE UNIFORM STANDARDS FOR EMPLOYER GROUPS.

The Chair provided background on Mix and Match, its use in other Uniform Standards and noted that Mix and Match would not apply to Uniform Standards for rates. He noted that when the PSC first began discussing these standards, they deferred discussion of Mix and Match until all provisions of these standards were reviewed. No written comments about this agenda item were received in advance of the call.

Miriam Krol stated that Industry supported Mix and Match for the Group Disability Income Uniform Standards. There were no further oral comments from other parties on this agenda item.

Agenda Item 7. Any Other Matters

The Chair requested that all parties who commented on the call and anyone who had additional feedback submit written comments to comments@insurancecompact.org by May 15th. All written comments will be posted to the Events Calendar for this call on the IIPRC website. He stated that the PSC will review the comments and consider the revisions to these sections of the Uniform Standards.