

Agenda Item 2. Discuss Public Comments from June 16th call on GROUP DISABILITY INCOME INSURANCE POLICY AND CERTIFICATE UNIFORM STANDARDS FOR EMPLOYER GROUPS.

- a) **§4 REQUIRED PROVISIONS - C. CONTINUATION OF GROUP DISABILITY INSURANCE PROVISIONS APPLICABLE WHEN SUCH INSURANCE IS TRANSFERRED FROM ONE GROUP DISABILITY INSURANCE COMPANY TO ANOTHER** The Committee discussed the suggested revisions submitted by the Industry Advisory Committee (IAC) to address situations where, in addition to a group disability income insurance plan, an employer may have employees insured under individual disability income insurance policies sold through the worksite and sponsored by the employer. The Committee accepted the revisions.
- b) **§ 9. BENEFIT PROVISIONS - Disability Benefits Reduced On Account of Other Benefits or Income Item (B) (1) (m).** The PSC reviewed the comments submitted by the IAC and the Consumer Advisory Committee (CAC). IIPRC staff also discussed findings following review of several national submissions by group disability insurers, and provided some language from an approved filing that addresses situations in which the settlement does not identify the amount that is related to lost wages. The Committee noted that while it understood the CAC concerns, in the vast majority of states, there is no prohibition on a third party settlement offset. Following discussion, the PSC agreed to review draft language based upon an approved filing that adds a provision for when the amount of lost wages is not specified. IIPRC staff was also asked to contact the IAC to explain how often this provision is used and the practical application when there is a third party settlement.
- c) **§10 INCIDENTAL BENEFIT PROVISIONS - COBRA Insurance Premium Benefit.** The Committee reviewed the IAC's comments requesting additional language that allows the notice to also be added to the certificate if it is contained in the policy. IIPRC staff noted that other Uniform Standards contain required provisions for the policy. In those cases, if a filer adds the language to the certificate, as long as it is in the policy, the reviewer does not object. The Committee decided no change was needed to the Uniform Standards since it is permissible under the IIPRC's review procedures.
- d) **Mix and Match** – The Committee reviewed the IAC's suggested clarifying revisions to the Mix and Match provision. The Committee noted that IIPRC staff did not report filer confusion about the language as written for the Long Term care Uniform Standards, and that the phrase “to be used in combination with State Product Components” is used in every Mix and Match provision for all of the Uniform Standards. As such, the Committee did not wish to make the changes suggested by the IAC.

Agenda Item 3. Discuss any written comments received following the Public Call for UNIFORM STANDARDS FOR RIDERS, ENDORSEMENTS OR AMENDMENTS USED TO EFFECT GROUP DISABILITY INCOME INSURANCE POLICY CHANGES.

The Chair noted that there were no written comments submitted following the Public Call and no Public comments on the June 16th call for these standards. The Committee had no further recommendations or revisions.

Agenda Item 4. Discuss Group Disability Income recommendations and outstanding items for UNIFORM STANDARDS FOR GROUP DISABILITY INCOME INSURANCE ENROLLMENT FORMS AND STATEMENT OF INSURABILITY FORMS

a) **§2 Statement of Insurability Form Standards - Definition of “Proposed insured”-**
The Committee noted that although it understood the distinction the Industry wanted to make in this definition, since *Covered Person* is defined as a person insured under the group policy, a proposed insured would not yet be a *Covered Person* when completing the Statement of Insurability form. The Committee substituted the words “an applicant” in the definition.

b) **Additional Submission Requirements, §3 A(5) – including phrase “including any requirements for prior approval of a change or modification.”** - The Committee agreed to delete the phrase “including any requirements for prior approval of a change or modification” since there are no items under the Statement of Variability section that require prior approval to change.

c.) **§5 C, Section to be Completed by Each Proposed Insured Applying for Coverage Subject to a Statement of Insurability – Limitation on Look Back period** - The Committee weighed the challenges of an application for a combination product with different look back periods against the consumer protection issue of limiting a look back period for a disability product, and decided that in this case, the nature of the product was more important than whether it was a group or individual product. They noted that consumer complaints in this area are related to disputes about forgotten minor health matters going back many years that were not disclosed on an application. The Committee decided that the 10 year look back period used in the Individual Disability Income Standards for the relevant provisions in this section would address the consumer protection issue and was more reasonable for a disability product than the unlimited look back period found in the Group Term Life Uniform Standards.

Agenda Item 5. Discuss Group Disability Income recommendations for UNIFORM STANDARDS FOR GROUP DISABILITY INCOME INSURANCE STATEMENT OF INSURABILITY CHANGE FORM. The Chair noted that there were no written comments submitted following the Public Call and no Public comments on the June 16th call for these standards. The Committee had no further recommendations or revisions.

Agenda Item 6. Any other matters.

The Chair noted that the Group Disability Income Subgroup had completed its tasks and would not be meeting any longer. He thanked the members for their contributions. The full PSC will

Product Standards Committee
Member Call Summary
June 23, 2015

resume meeting weekly to finalize the remaining Group Disability Income Insurance Uniform Standards. He suggested that starting with next week's call, each member may wish to have staff familiar with rate review on the call to assist as the PSC begins reviewing rate standards.