

**Agenda Item 2. Review Public Comments on the draft Uniform Standards for Group Disability Income Insurance Enrollment Forms and Statement of Insurability Forms.**

The Product Standards Committee (PSC) reviewed the comments submitted by the Industry Advisory Committee (IAC) for the Enrollment Forms and Statement of Insurability Forms Uniform Standards. Under § 3 Additional Submission Requirements, Item A. (5), based on the comments, the Committee decided not to delete the phrase “including any requirements for prior approval of a change or modification” since it does not appear to cause confusion with filers and Industry states that it is meant to make it clear that a company will administer the variability as filed, including an understanding that changes beyond those reserved for variability would require prior approval.

Under §5 Statement of Insurability Sections, Item C. Section to Be Completed by Each Proposed Insured Applying for Coverage Subject to a Statement of Insurability, the Committee reviewed Industry’s reasons to have no time limit on the look back period for underwriting questions, and decided to maintain the 10 year look back period. Members noted that ten years is consistent with the Individual Disability Income standards, is a long enough period of time to provide sufficient information for underwriting and helps to avoid situations where consumers cannot recall information that transpired many years in the past. A member noted that the ten year period was still considerably longer than her state law allows. In response to comments from the IAC that the difference between the Group Term Life standards and this proposal would make it impossible to use a combination Statement of Insurability form, members noted that if needed, such a form could be designed to have different underwriting questions for each product.

**Agenda Item 3. Review Public Comments on the draft Standards for Group Disability Income Insurance Initial Rate Filings.**

The Committee (PSC) reviewed the comments submitted by the IAC for the rate standards. They agreed to the IIPRC staff draft revision of the definition of “noncancellable” to read “means that the renewal cannot be declined for reasons other than for fraud, material misrepresentation or failure to pay the renewal premium, nor can rates be revised by the insurance company.”

Based upon information provided by the IAC, the PSC agreed to return to the original language for Actuarial Submission Requirements, Item B. (1)(e)(vii) without reference to premium taxes. They also agree that the documentation provided gave a reasonable explanation for Initial Minimum Loss Ratio (MLR) for *Optionally Renewable* products to be 55%.

The Committee did not believe the IAC provided sufficient reason to consider changing the Limitation on Adjustments to Initial MLR from the 5% recommended by the Committee. Upon review of the comments received from the IAC, the PSC agreed to revert to the original drafted language for the durational loss ratio table.

**Agenda Item 4. Review Public Comments on the Draft Standards for Filing Revisions to Rate Filing Schedules in Group Disability Income Insurance Policies.**

The Chair noted that most of the changes the IAC provided comment on for this set of standards were the same as those requested for the Initial Rate Standards. The Committee had no objection to amending the Rate Revision Standards where applicable to reflect the revisions agreed to for the Initial Rate Standards. They reviewed the IAC’s explanation for deleting the drafting note under §2. Additional Submission Requirements B. Actuarial Submission Requirements (1) (m) and agreed that it should remain deleted.

**Agenda Item 5. Any Other Matters**

The Chair noted that this concluded the PSC's review of the Group Disability Income Uniform Standards. The recommendations will be finalized and presented to the Management Committee at the August 14, 2015 meeting in Chicago so the formal Rulemaking process can commence.

The PSC will meet August 4, 2015 to review the IIPRC Office's Report and Recommendation to the Product Standards Committee for the Phase Five of the Uniform Standards subject to 5-Year Review.