



MEMORANDUM

TO: IIPRC Management Committee

FROM: Product Standards Committee

DATE: September 24, 2012

SUBJECT: Group Term Life Insurance Uniform Standards: Policyholder Application and Change Forms

The Product Standards Committee (“PSC”) of the Interstate Insurance Product Regulation Commission (“IIPRC”) is charged with developing proposed drafts of uniform standards. In carrying out its charge, the PSC has finalized the following draft uniform standard in the group life insurance product line and is recommending that the Management Committee initiate the rulemaking procedure¹ with respect to these proposed uniform standards:

- Group Policyholder Application Uniform Standards for Group Term Life Insurance
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Term Life Insurance Policy Changes
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Term Life Insurance Certificate Changes

The NAIC National Standards (EX) Working Group developed and transmitted to the PSC initial drafts of the proposed uniform standards. The PSC has thoroughly reviewed the proposed uniform standards, including comparison to the corresponding individual life insurance uniform standards.

The PSC added required customary language about mix-and-match and self-certification. The PSC recommends the proposed uniform standards be available for mix and match to be used in combination with state-approved group life insurance forms in accordance with §111 of the IIPRC Operating Procedure for the Filing and Approval of Product Filings. The PSC recommends product filings submitted the proposed uniform standards be subject to prior review and approval and not subject to self-certification.

The proposed Uniform Standards were subject to public participation by written comment and a teleconference meeting on August 28. The PSC received written comments from the Industry Advisory Committee and implemented most of the suggestions. The primary instance where the

¹ The rulemaking procedure is set forth in the Rule for Adoption, Amendment and Repeal of Rules for the IIPRC.

PSC did not incorporate the Industry Advisory Committee's suggestions was on the issue of self-certification. The Rule for the Self-Certification of Product Components Filed with the IIPRC states that the self-certification process is intended to be utilized in limited circumstances where the applicable uniform standard does not permit substantive variation by filers or the product component is wholly or substantially prescribed by an NAIC model law or regulation or federal law or regulation. The PSC believes that the proposed uniform standards do not fit these guidelines and no information was submitted to the PSC to establish otherwise.

The PSC is already considering other group term life insurance uniform standards including those for enrollment forms, statement of insurability forms and forms providing for accidental death, accidental death and dismemberment, waiver of premium and accelerated death benefits. The PSC is available to respond to any questions or requests for information to assist the Management Committee during its rulemaking process.