

**From:** [Bolton, David H.](#)  
**To:** [Comments <comments@insurancecompact.org>](mailto:comments@insurancecompact.org)  
**Cc:** [Narcini, Anne Marie](#); [Cutler, Eric](#); [Hart, Janice M.](#)  
**Subject:** Five Year Review Additional Standards for Graded Death Benefits for Individual WL  
**Date:** Thursday, March 03, 2016 3:06:18 PM

---

**Comments Five Year Review of IIPRC-L07-1-4 Additional Standards for Graded Death Benefits for Individual WL Product Standards:**

1. There is probably no stronger argument for life insurance rate authority (ORS 743.018) than graded death benefit life insurance products.
2. Consider adding a product standard that a single premium can not exceed death benefits provided for non-accidents during the graded limited death benefit period. (Example, \$1295 single premium for a \$1,000 dollar death benefit after a three year graded death benefit)
3. Premium payments designs other than a single premium can not exceed the death benefit until after the graded death benefit period. (Example, monthly premium of \$39.38 would equal \$54.88 under the death benefit for a two year graded death benefit but \$417.68 over the death benefit for a three year graded death benefit)
4. End continuing premium payments after paying 1.5 times the death benefit is provided. (Example, \$1,500 maximum total premium payments for a \$1,000 dollar graded death benefit or the very low consumer standard of a maximum \$7500 for a \$5,000 death benefit. While not a great product standard, this would help eliminate complaints about seniors paying three, four or five times the death benefit provided.)
5. A required illustration must be included with the forms for prior approval. The illustration should clearly indicate the year the premiums exceed the death benefit. The illustration should also include the cash values provided at year five and ten. The illustration should clearly include any additional death benefits provided that are not paid to the premium payer. The illustration should be presented to the applicant prior to the application being submitted.

Thank you for the IIPRC's kind consideration of the above consumer protections for our seniors. Existing compact national product standards that would prevent the above examples would be helpful for discussion with the regulators.

Regards, David Bolton Oregon (503) 947-7253