



**IIPRC-L-08-LB-I-UE-1**

**ADDITIONAL STANDARDS FOR FORMS USED TO EXCLUDE POLICY  
COVERAGE BASED ON THE UNDERWRITING PROCESS**

1. Date Adopted: November 15, 2014
2. Purpose and Scope: These standards are intended to apply to provisions which exclude individual life insurance policy coverage, when the exclusions are based on information disclosed by the insured in the application or identified for the insured during the underwriting process; applying to provisions built into the life insurance policy or added to such policy by rider, endorsement or amendment and may be added to a change in coverage at the same time that the change in coverage is made to the policy.
3. Rules Repealed, Amended or Suspended by the Rule: In accordance with the 5-year Commission Review of Rules required by § 119 of the Rule for the Adoption, Amendment and Repeal of Rules for the Interstate Insurance Product Regulation Commission, this rule amends the Additional Standards for Forms Used to Exclude Policy Coverage Based on the Underwriting Process adopted by the Interstate Insurance Product Regulation Commission (“IIPRC”) on August 27, 2008. The amendments apply only to new filings received after the effective date of the amendments. It is not necessary to resubmit previously approved forms to comply with these amendments, or to suspend use of previously approved forms that do not comply with these amendments. See the Transmittal Memo under the Standards History on the Record for a more detailed description of the amendments.
4. Statutory Authority: Among the IIPRC’s primary purposes and powers is to establish reasonable uniform standards for the insurance products covered in the Interstate Insurance Product Regulation Compact (“Compact”), specifically pursuant to Article I §2, Article IV §2 and Article VII §1 of the Compact, as enacted into law by each IIPRC member state.
5. Required Findings: None
6. Effective Date: March 5, 2015

**ADDITIONAL STANDARDS FOR FORMS USED TO EXCLUDE POLICY  
COVERAGE BASED ON THE UNDERWRITING PROCESS**

**Table of Contents**

<b><u>Provision/Section</u></b>	<b><u>Page</u></b>
<b>SCOPE</b>	<b>1</b>
<b>§ 1 ADDITIONAL SUBMISSION REQUIREMENTS</b>	<b>1</b>
A. General	1
B. Variability of Information	2
<b>§ 2 REQUIREMENTS FOR EXCLUSION PROVISIONS</b>	<b>2</b>
A. General	2

## **ADDITIONAL STANDARDS FOR FORMS USED TO EXCLUDE POLICY COVERAGE BASED ON THE UNDERWRITING PROCESS**

**Scope:** These standards apply to provisions which exclude individual life insurance policy coverage, when the exclusions are based on information disclosed by the insured in the application or identified for the insured during the underwriting process.

Such exclusion provisions may be built into the life insurance policy or added to such policy by rider, endorsement or amendment. If after the policy date of issue a change in coverage would be subject to an underwriting exclusion, the exclusion applicable to the change in coverage may be added to the policy at the same time that the change in coverage is made to the policy.

The use of exclusion provisions shall be subject to the Exclusions standards that have been approved for use with the policy with which the exclusion provisions may be used and the applicable law in the state where the policy is delivered or issued for delivery.

The references to “policy” do not preclude Fraternal Benefit Societies from substituting “certificate” in their forms.

**Mix and Match:** These standards are available to be used in combination with State Product Components as described in Section 111(b) of the Operating Procedure for the Filing and Approval of Product Filings.

**Self-Certification:** These standards are not available to be filed on a self-certification basis in accordance with the Rule for the Self-Certification of Products Filed with the Interstate Insurance Product Regulation Commission.

### **§ 1 ADDITIONAL SUBMISSION REQUIREMENTS**

#### **A. General**

The following additional submission requirements shall apply:

- (1) If the exclusion provisions are added to the policy by rider, endorsement or amendment, the following shall be included:
  - (a) Include all forms filed for approval with the filing. Highlight changes to a previously approved form.
  - (b) If the filing is being submitted on behalf of a company, include a letter or other document authorizing the firm to file on behalf of the company.
  - (c) If the form contains variable items, include the Statement of Variability. The submission shall also include a certification that any change or modification to a variable item shall be administered in accordance with the requirements in the

Variability of Information section, including any requirements for prior approval of a change or modification.

- (d) Include a certification signed by a company officer that the form has a minimum Flesch Score of 50. See Appendix A of the respective life insurance product standards with which this form will be used for the Flesch methodology.
- (e) Include a listing by filing jurisdiction of the types of policies with which the form will be used, including the policy form numbers, the corresponding approval date for these policies and any filing identification number.
- (f) Include a statement whether the form will be made a part of the policy at issue, at reinstatement, at the issuance of additional coverage, or all of these.

## **B. VARIABILITY OF INFORMATION**

- (1) The company may file exclusion provisions on a generic basis to accommodate all the exclusion-provisions required to reflect the underwriting needs of a company. To support the use of such exclusion provisions, the submission shall include a Statement of Variability providing information sufficient to identify the potential exclusion provisions that may be used.
- (2) Alternatively, exclusion provisions may be filed on a specific basis, where each filing accommodates only the specified exclusion provision.
- (3) For both a generic and specific basis filings, the company shall identify items that will be considered variable. The item shall be bracketed or otherwise marked to denote variability. The submission shall include a Statement of Variability that will discuss the conditions under which each variable item may change.
- (4) The exclusion provisions to be used shall be consistent with the Statement of Variability filed for the exclusion provision, the Statement of Variability filed for the individual life insurance application form, the Exclusion standards applicable to the individual life insurance policy with which the exclusion provisions will be used, and the company's underwriting guidelines for such policy.
- (5) Items such as officer titles and officer signatures may be denoted as variable and may be changed without notice or prior approval.

## **§ 2 REQUIREMENTS FOR EXCLUSION PROVISIONS**

### **A. General**

- (1) If the exclusion provisions are added to the policy by rider, endorsement or amendment, the following shall apply:
  - (a) The full corporate name of the company shall appear on the form.

- (b) At least one signature of a company officer shall appear on the form if it is added after the date of issue of the policy.
  - (c) The signature of the owner shall appear on the form to acknowledge the exclusion provisions. A company may eliminate the signature requirement if it has supporting documentation, such as an application change form signed by the owner, evidencing the owner's acceptance of the exclusion provisions.
  - (d) The form shall contain a statement that it is made a part of the policy, and that the exclusion provisions apply in lieu of any policy provisions to the contrary.
  - (e) A form identification number shall appear at the bottom of the form in the left hand corner. The form number shall be adequate to distinguish the form from all others used by the company. The form number shall include a prefix of ICCxx (where xx represents the year the form was submitted for filing).
  - (f) The form shall include the policy number of the policy for which the exclusion provisions will apply.
- (2) If the exclusion provisions are built into the policy, the provisions shall be included in the Cover Page or Specifications Page of the policy under the heading of "Underwriting Exclusions" to distinguish these exclusions from other exclusions in the policy, such as war.
- (3) The exclusion provisions shall include sufficient information to identify:
- (a) The name of the insured for whom the exclusion provisions apply;
  - (b) The nature of the exclusion (i.e. death due to a specific type of aviation, avocation, occupation, or foreign travel or residency in a specific location, based on information disclosed by the insured in the application or identified for the insured during the underwriting process);
  - (c) The effective date of the exclusion provisions; and
  - (d) If the exclusion provisions have an expiry date (such as 2 years from the policy date of issue or attainment of a specific age), the expiry date for the exclusion provisions.
- (4) The exclusion provisions may, at the option of the company, allow the insured to submit new evidence of insurability for the purpose of eliminating an exclusion. If such an option is included, it shall specify the terms and conditions for the submission of evidence of insurability.