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STANDARDS FOR INDIVIDUAL DISABILITY INCOME INSURANCE APPLICATION CHANGE FORM CHECKLIST AS APPLICABLE TO THE FOLLOWING PRODUCTS:

- **DISABILITY INCOME PLANS**
- **BUY-SELL PLANS**
- **KEY PERSON PLANS**
- **BUSINESS OVERHEAD EXPENSE PLANS**

Effective Date: November 19, 2018

Scope: The *Standards for Individual Disability Income Insurance Application Change Form* apply to forms that are used during the underwriting process to make changes to answers that had been provided by the applicant in paper, telephonic or electronic applications for coverage provided by individual disability income insurance plans, buy-sell plans, key person plans or business overhead expense plans.

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 using the Rule for the Self-Certification of Product Components Filed with the Interstate Insurance Product Regulation Commission.

As used in these standards the following definitions apply:

“Application” means any form used to apply for disability income insurance whether or not the form is attached to the policy at issue. The application form shall be filed for approval.

“Disability income” means disability income plans, buy-sell plans, key person plans and business overhead expense plans that are individually underwritten, including such plans that are marketed through employer and association sponsored groups (“multi-life” plans), as applicable.

“Signed or signature” means any symbol or method executed or adopted by a person with the present intention to authenticate a record, and which is on or transmitted by paper, electronic or telephonic media, and which is consistent with applicable law.

Drafting Note: The references to “policy” or “plan” do not preclude Fraternal Benefit Societies from substituting “certificate” in their forms.

§ 1. ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL

The following additional filing submission requirements shall apply:

YES N/A

		(1) All forms filed for approval shall be included with the filing. Changes to a previously approved form shall be highlighted.
		(2) The application change form may be submitted in a proof format for preliminary review, provided that the company certifies that the text and format so filed accurately reflects what the final copy would look like, including contrasting color, font size, bold face, highlighting, or any other similar type of differentiation that may be used. If the application change form is determined to be acceptable, the company shall submit a final copy for approval, along with a certification that the final copy represents an exact copy of the proof and that no changes had been made after the company was notified that the proofs were determined to be acceptable.
		(3) If the application change form is submitted for use by more than one company, the following requirements shall apply:
		(a) The name of each company shall appear at the top of the first or cover page of the form, and a means of designating the appropriate company must be available, such as checkboxes in front of each company’s name. A “blank space write in” format will not be acceptable;
		(b) Multiple companies may be represented in one filing, provided:
		(i) All companies shown at the top of the first or cover page of the form are properly licensed in all states for which the filer is requesting approval;
		(ii) The filer is requesting approval for an identical filing (no exceptions for any company represented in the filing) in all states for which the filer is requesting approval; and
		(iii) Separate filing fees may apply and transaction fees for each combination of company and state shall apply; and
		(c) The form shall have the same form number for each company, provided such form number is unique within each company.
		(4) A statement of how the application change form will be used, such as paper, electronic, and/or telephonic.
		(a) For electronic and telephonic uses, the company shall describe the procedures that will be used to verify the authenticity of the transaction.
		(b) Additionally, for telephonic uses the company shall describe the process by which the applicant is given the completed application change form for signature prior to or on the date the change is effective.
		(5) If a 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.
		(6) If the application change form contains variable items, include the required 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.

		(7) Include a certification signed by a company officer that the application change form has a minimum Flesch score of 50.
		(8) Include a statement of the types of applications with which the application change form will be used.

B. VARIABILITY OF INFORMATION

YES N/A

		(1) The company may identify items that will be considered variable in the application change form, such as:
		(a) The company, address and other contact information;
		(b) In the case of application change forms for use by more than one company, the name of each company may be variable only to permit:
		(i) Deletion if the company ceases to do new business; and
		(ii) Addition of a company authorized to do business by the respective compacting states;
		(c) Plan information, such as plan marketing name or logo, discounts, plan design, premium modal options, etc.

C. READABILITY REQUIREMENTS

YES N/A

		(1) The text of the application change form shall achieve a minimum score of 50 on the Flesch reading ease test or an equivalent score on any other approved comparable reading test. See Appendix A for Flesch methodology.
		(2) The text of the application change form shall be presented in not less than ten point type, one point leaded.
		(3) The style, arrangement and overall appearance of the application change form shall give no undue prominence to any portion of the text or section of the form.

D. FAIRNESS

YES N/A

		(1) The application change form shall not contain inconsistent, ambiguous, unfair, inequitable or misleading clauses, provisions that are against public policy as determined by the Interstate Insurance Product Regulation Commission, nor shall it contain exceptions and conditions that unreasonably affect the risk purported to be assumed in the general coverage of the policy forms with which the application change form will be used.
		(2) The questions on the application change form shall be presented as single direct questions, not as declaratory statements.
		(3) The questions on the application change form shall not require the applicant to make a diagnosis of a medical condition of the proposed insured. Questions such as “Are you in good health,” “Do you have symptoms of,” “Do you have any known indication of,” or “Do you think you have” are not acceptable.

§ 2. APPLICATION CHANGE FORM REQUIREMENTS

A. GENERAL

YES	N/A	
		(1) The full corporate name of the company shall appear in prominent print on the application change form. "Prominent print" means, for example, all capital letters, contrasting color, underlined or otherwise differentiated from the other type on the form.
		(2) Two signatures of company officers may be included in the application change form.
		(3) If an application change form will be used by more than one company, each company's full corporate name shall appear in prominent print on the application change form, and a means of designating the appropriate company must be available, such as checkboxes in front of each company's name.
		(4) A form identification number shall appear at the bottom of the application change form in the lower left hand corner of the form. 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 appropriate year the form was submitted for filing) to indicate it has been approved by the Interstate Insurance Product Regulation Commission.
		(5) The application change form shall specify the name of the owner, if other than the insured, the name of each proposed insured, the date of the application, and the policy number, if one had been assigned.
		(6) The application change form shall include a statement that each person signing the application change form agrees that all representations made in the form are true and complete to the best of that person's knowledge and belief on the date signed.
		(7) The application change form shall include a signature section which includes the printed names and signatures of those persons who signed the application change form and the date of signature.

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