

**INDUSTRY ADVISORY COMMITTEE
COMMENTS DATED FEBRUARY 20, 2007 RE:**

Standards Dated November 3, 2006:

- **STANDARDS FOR ALL BENEFIT FEATURES**

Standards Dated December 15, 2006:

- **ACCELERATED DEATH BENEFITS**
- **ACCIDENTAL DEATH BENEFITS**
- **ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS**
- **WAIVER OF PREMIUM BENEFIT**
- **WAIVER OF MONTHLY DEDUCTION BENEFIT**

- **WAIVER OF PREMIUM BENEFIT FOR CHILD INSURANCE IN THE
EVENT OF PAYOR'S TOTAL DISABILITY OR DEATH**

- **APPLICATION CHANGE FORM**

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OF PAYOR'S TOTAL DISABILITY OR DEATH**

We note that the title of the first three "benefit features" is "BENEFITS" and the title for the three waivers is "BENEFIT". The titles should be consistent. We suggest that all the standards should refer to the plural "BENEFITS".

As stated in the Product Standards Committee's memorandum to the IIPRC Management Committee dated December 15, 2006, these standards apply to situations where the benefit features are "*incorporated into policy forms or added to policy forms by rider, endorsement or amendment.*" Accordingly, these standards need to reflect this, and we are suggesting language to clarify this below.

STANDARDS FOR ALL BENEFIT FEATURES

The title of these set of standards should delete “ADDED BY RIDER, ENDORSEMENT OR AMENDMENT TO AN INDIVIDUAL LIFE POLICY” – these standards are for “built-in” as well as “attached” benefit features.

We suggest changing the first sentence of the *Scope* section to say:

“Scope: These standards apply to benefit features that are built-in to individual life insurance policy forms or added to such policy forms by rider, endorsement or amendment.”

ADDITIONAL SUBMISSION REQUIREMENTS, Item (4)

The end of the first sentence needs to reflect the language adopted for other standards.

GENERAL FORM REQUIREMENTS

These standards apply in situation where the benefit feature is built-in to the policy or is added to a policy by a rider, endorsement or amendment. Accordingly, we suggest changing the title of this section to say “BENEFIT FEATURE REQUIREMENTS” which would be more inclusive.

The requirements that follow focus mainly on “form” since the policy standards already address some of these requirements for the policy.

GENERAL FORM REQUIREMENTS, Item (1)

We suggest changing the end of the item to say “appear on a *form*.”

GENERAL FORM REQUIREMENTS, Item (2)

We suggest changing the item to say “if the form is added after....” (delete the “to”).

GENERAL FORM REQUIREMENTS, Item (3)

We suggest changing the item to say “that shall appear in *prominent print* on the first page...”. The reference should match the definition that follows.

GENERAL FORM REQUIREMENTS, Item (5)

We suggest the restructuring of this item, as follows:

- “(5) A form shall contain the following information, when applicable, on the specifications page and the respective benefit provisions shall direct the owner to the specifications page:
- (a) repeat current (i)
 - (b) repeat current (ii)
 - (c) repeat current (iii)
 - (d) repeat current (iv)
 - (e) repeat current (v).

These items may be considered as variable items and marked to denote variability.”

ACCELERATED DEATH BENEFITS

We suggest changing the *Scope* section to say:

“*Scope:* These standards apply to *accelerated death benefits* that are built-in to individual life insurance policy forms or added to such policy forms by rider, endorsement or amendment.”

COVER PAGE, Item (1)

We suggest changing the end of the item to say “prominent *print*” and adding the definition of this after item (c). [See GENERAL FORM REQUIREMENTS Item (3) of STANDARDS FOR ALL BENEFIT FEATURES].

APPENDIX A

In items (2) and (3), we suggest changing “best estimate assumptions” to say “anticipated experience factors” for consistency with the Actuarial Standards Board’s recent decision to make such change with respect to all American Academy of Actuaries’ documents produced on reserves and risk based capital.

ACCIDENTAL DEATH BENEFITS

We suggest changing the *Scope* section to say:

“Scope: These standards apply to *accidental death benefits* that are built-in to individual life insurance policy forms or added to such policy forms by rider, endorsement or amendment.”

INCONTESTABILITY

We suggest the following change at the end of the provision to reflect the fraud exception language in the policy forms:

“for two years from the date of issue of the form, except for fraud in the procurement of the form, when permitted by applicable law in the state where the policy is delivered or issued for delivery.”

ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

We suggest changing the *Scope* section to say:

“Scope: These standards apply to *accidental death and dismemberment benefits* that are built-in to individual life insurance policy forms or added to such policy forms by rider, endorsement or amendment.”

INCONTESTABILITY

We suggest the following change at the end of the provision to reflect the fraud exception language in the policy forms:

“for two years from the date of issue of the form, except for fraud in the procurement of the form, when permitted by applicable law in the state where the policy is delivered or issued for delivery.”

WAIVER OF PREMIUM BENEFIT

We suggest changing the *Scope* section to say:

“Scope: These standards apply to *waiver of premium benefits* that are built-in to individual life insurance policy forms or added to such policy forms by rider, endorsement or amendment. The waiver is for premiums due under an individual life insurance policy in the event that the insured becomes totally disabled under the terms of the form.”

INCONTESTABILITY

We suggest the following change at the end of the provision to reflect the fraud exception language in the policy forms:

“for two years from the date of issue of the form, except for fraud in the procurement of the form, when permitted by applicable law in the state where the policy is delivered or issued for delivery.”

WAIVER OF MONTHLY DEDUCTION BENEFIT

We suggest changing the *Scope* section to say:

Scope: These standards apply to ***waiver of monthly deduction benefits*** that are built-in to individual life insurance policy forms or added to such policy forms by rider, endorsement or amendment. The waiver is for monthly deductions made under an individual life insurance policy where monthly deductions are applicable in the event that the insured becomes totally disabled under the terms of the form.”

INCONTESTABILITY

We suggest the following change at the end of the provision to reflect the fraud exception language in the policy forms:

“for two years from the date of issue of the form, except for fraud in the procurement of the form, when permitted by applicable law in the state where the policy is delivered or issued for delivery.”

WAIVER OF PREMIUM BENEFIT FOR CHILD INSURANCE IN THE EVENT OF PAYOR’S TOTAL DISABILITY OR DEATH

We suggest changing the *Scope* section to say:

Scope: These standards apply to ***waiver of premium benefits for an insured child*** that are built-in to individual life insurance policy forms or added to such policy forms by rider, endorsement or amendment. The waiver is for premiums due for an insured child under an individual life insurance policy in the event of the payor’s total disability or death under the terms of the form.”

ADDITIONAL SUBMISSION REQUIREMENTS, Intro

We suggest deleting “to the waiver” at the end.

INCONTESTABILITY

We suggest the following change at the end of the provision to reflect the fraud exception language in the policy forms:

“for two years from the date of issue of the form, except for fraud in the procurement of the form, when permitted by applicable law in the state where the policy is delivered or issued for delivery.”

STANDARDS FOR APPLICATION CHANGE FORM

We suggest adding “LIFE” before “APPLICATION” to distinguish this from its annuity counterpart.

ADDITIONAL SUBMISSION REQUIREMENTS, Item (4) ***VARIABILITY OF INFORMATION***

We suggest changing “Statement on Variability” to “Statement of Variability” for consistency with the other standards.