

Group Whole Life Subgroup Questions for Industry

1. Are there are current assumption group whole life products in the marketplace and does the subgroup need to allow for them in the employer group whole life standard such as in the definition of "account value"

"Account value" is the retrospective accumulation of premiums, reduced by specified charges (which include the cost of insurance) and expenses, at no less than a guaranteed minimum interest rate. (COPIED FROM INDIVIDUAL CURRENT ASSUMPTION WHOLE LIFE STANDARD)

2. Is there a need for the definition of Maturity Date?

"Maturity Date" is the date the Certificate Anniversary or Attained Age where the cash surrender value equals the death benefit without consideration to outstanding loans.

3. Is § 4. Policy and Certificate Benefits, Q (1) referring to paying the life insurance is needed in the group whole life uniform standard.

§4. Policy and Certificate Provisions Q. MATURITY DATE OF A COVERED PERSON

(1) The certificate shall contain a statement that upon the Maturity Date as shown in the certificate, if still in force and the Covered Person is alive, the company shall pay the life insurance benefit, exclusive of additional benefits and reduced by any loan balance in lieu of portability or conversion coverage.

4. Is the reference to Maturity Date in §4. Policy and Certificate Provisions, Q (2) for a current assumption whole life policy is needed in the uniform standard.

Q (2) The Maturity Date for a current assumption whole life policy may be extended beyond the terminal age of the applicable valuation mortality table based on the following conditions:

5. Is the definition of "Policy Period needed?

(15) "Policy Period" means that as shall be defined in the retrospective experience rating reduction section of the premium rate(s) provision of the policy, if any

6. The subgroup asked for information from Industry about the section on retrospective rate changes.

See §4. Policy and Certificate Provisions V. Payment of Premium (4) The provision may include the availability of retrospective rate changes...

7. Members questioned the reference to receiving or applying to receive disability benefits and would like feedback if the reference can be deleted

§4 Policy and Certificate Provisions I (1) (d) Date A Person's Insurance Takes Effect. The provision shall describe the rules for *Employee* and *Dependent Noncontributory* and *Contributory* insurance. The cover page or first page, or specifications page, of the policy or certificate shall specify which insurance benefits are *Contributory* and which are *Noncontributory*. The provision shall describe the rules for *Dependents* that an *Employee* has when **the employee** he becomes eligible for insurance under the policy, and the rules for *Dependents* the *Employee* obtains after **the employee** he becomes eligible for insurance under the policy. The provision may state that if the *Employee* is not *Actively at Work* on the date insurance would otherwise take effect, insurance will take effect on the day **the employee** he resumes *Active Work*. A similar requirement may be included for *Dependents*, such as if a *Dependent* is confined at home under a physician's care, **receiving or applying to receive disability benefits from any source** or hospitalized on the date the *Employee's* insurance would otherwise take effect, insurance for the *Dependent* will take effect on the date **the dependent** he is no longer confined, **receiving or applying to receive disability benefits or hospitalized**

8. The subgroup discussed the requirement for minimum values and benefits as many states have NAIC model language that does not permit group life insurance to use NAIC Model 808. There was a suggestion to state that the values and benefits should be "at least as equitable" as the requirements in NAIC Model 808. The subgroup would like feedback from Industry.

§4 Policy and Certificate Provisions T. Nonforfeiture Values

(1) (f) A statement that any cash values and paid-up nonforfeiture benefits available under the certificate **should be at least as equitable as** ~~are not less than~~ the minimum values and benefits ~~in required by or pursuant to the~~ NAIC Standard Nonforfeiture Law for Life Insurance, model #808.