

Agenda Item 2. Finalize Discussion on Outstanding Substantive Items in the Draft *IIPRC Office Report and Recommendations for the Uniform Standards Currently Subject to Five-Year Review (Phase 8 – Individual Disability Income Insurance)*

- **Substantive Item #14 – Incidental Benefits.**

The Insurance Compact staff provided the Product Standards Committee (PSC) with an overview of the suggested revisions to the preamble of the subsection of the Uniform Standards that outlines the Incidental Benefits. In response to questions, staff clarified that the requirement that there be no separate premium, charge or fee for the optional benefit was just for a proposed incidental benefit not specifically outlined in the list. For those included in the list, as indicated within the standards, the company would be required to identify any premium charge. It was suggested that the added language provide more specificity about when benefits end, similar to language used in each of the listed incidental benefits.

Pennsylvania stated that there are some incidental benefits listed that they believed were more appropriate for group rather than individual. He stated that *Activities Of Daily Living (ADL) Deficiency or Cognitive Impairment Benefit for Spouses of Covered Persons* and *Child(Ren) Care Benefit* and *Child(Ren) Education Benefit* were examples. He thought that rather than offering separate benefits specific to how the benefit is used, while marketing the product that the agent could make sure the insured had enough DI benefit to cover such instances. Illinois stated that they felt that these are optional benefits used to distinguish one company from another and as long as the consumer has choice, they were not opposed to these benefit offerings. Minnesota said they were concerned that it may be different when the employer is involved rather than as an individual plan and they thought it may create inequities for certain classes.

The members had no specific questions or comments on the four newly proposed incidental benefits and some members indicated that these are benefits that they are seeing filed in their states. The Committee agreed that the Insurance Compact staff would rework the document and the PSC would seek public comment on the listed incidental benefits and whether they are currently offered in the individual market and if so, how they are priced.

- **Substantive Item #15 – Look Back Period for Underwriting Questions**

The PSC continued discussion of the request from the Industry Advisory Committee (IAC) for an unlimited look back period for certain application questions, similar to those on life applications. A member noted that his state questions look back periods beyond 10 years because of the Insurance Compact Uniform Standards, and Pennsylvania indicated that they have a five-year look back requirement. It was also noted that if Industry was concerned that combination products had different look back periods, they could alter life questions to a ten-year period. The PSC concluded that the IAC has presented no new information or data to support the arguments that they made when both IDI and GDI Uniform Standards were drafted and there was no evidence that a ten-year look back period is detrimental to insurers or consumers. The PSC concluded that they will not recommend any change.

Agenda Item 3. Discuss Whether There Are Any Concerns with the Conforming Amendments or the Technical Items.

The Chair noted that during the Five-Year Reviews, the Committee normally does not spend time discussing conforming amendments or technical items on the PSC calls unless any member has a concern, since they are either items that were previously decided or technical edits. The members had no specific concerns, so these items will be recommended as noted in the Report.

Agenda Item 4. Next Steps and Any Other Matters.

The Chair advised members that the PSC will hold another call on December 19th to go over the items that the Actuarial Working Group was reviewing and to review the Appendix. She noted that the goal was to have a Public call in January to obtain feedback on the recommendations.