

UNIFORM STANDARDS FOR GROUP WHOLE LIFE INSURANCE STATEMENT OF INSURABILITY CHANGE FORM

Scope: These standards apply to forms that are used during the underwriting process to make changes to answers that had been provided by the enrollee in paper, telephonic or electronic statement of insurability forms for coverage provided by a group whole life insurance policy form.

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. These standards are available to be used in combination with IIPRC-approved or state-approved group life insurance and annuity forms.

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:

“Enrollee” means an *Employee* or *Dependent* who completes a statement of insurability.

“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.

Terms not defined in these standards that are capitalized and italicized have the meanings specified in the Group Whole Life Insurance Policy and Certificate Standards for Employer Groups.

§ 1 ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL

The following additional filing submission requirements shall apply:

- (1) All forms filed for approval shall be included with the filing. Changes to a previously approved form shall be highlighted.
- (2) If a filing is being submitted on behalf of an insurance company, a letter or other document authorizing the firm to file on behalf of the insurance company shall be included with the filing.
- (3) If the statement of insurability change form contains variable items, the submission shall include the Statement of Variability required in the specific Interstate Insurance Product Regulation Commission national product standard. 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.
- (4) A certification signed by an insurance company officer that the statement of insurability change form has a minimum Flesch score of 50, if applicable. If a statement of insurability change form

or sections of a statement of insurability change form are subject to federal jurisdiction, and accordingly the Appendix A requirements will not apply, the certification shall include a statement to that effect.

- (5) A statement of the types of statement of insurability forms with which the statement of insurability change form will be used.

B. VARIABILITY OF INFORMATION

- (1) The insurance company may identify items that will be considered variable in the statement of insurability change form. The items 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 and shall include any terms and conditions that apply to a change.

C. READABILITY REQUIREMENTS

- (1) The text of the statement of insurability 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. This requirement shall not apply to statement of insurability change forms or a section of statement of insurability change forms that are subject to federal jurisdiction.
- (2) The text of the statement of insurability change form shall be presented in not less than ten point type, one point leaded.
- (3) The style, arrangement and overall appearance of the statement of insurability change form shall give no undue prominence to any portion of the text or section of the form.

D. FAIRNESS

- (1) The statement of insurability 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 group policy forms with which the statement of insurability change form will be used.

§ 2 STATEMENT OF INSURABILITY CHANGE FORM REQUIREMENTS

A. GENERAL

- (1) The full corporate name of the insurance company shall appear in prominent print on the statement of insurability change forms. “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 statement of insurability change form.

- (3) A form identification number shall appear at the bottom of the statement of insurability 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.
- (4) The statement of insurability change form shall specify the name of the enrollee, the date of the statement of insurability, and the group policy number, if one had been assigned.
- (5) The statement of insurability change form shall include a statement that each person signing the statement of insurability 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.
- (6) The statement of insurability change form shall include a signature section which includes the printed names and signatures of those persons who signed the statement of insurability and the date of signature.

Appendix A

Flesch Methodology

The following measuring method shall be used in determining the Flesch score:

- (1) For policy forms containing 10,000 words or less of text, the entire form shall be analyzed. For policy forms containing more than 10,000 words, the readability of two, 200-word samples per page may be analyzed instead of the entire form. The sample shall be separated by at least 20 printed lines.
- (2) The number of words and sentences in the text shall be counted and the total number of words divided by the total number of sentences. The figure obtained shall be multiplied by a factor of 1.015.
- (3) The total number of syllables shall be counted and divided by the total number of words. The figure obtained shall be multiplied by a factor of 84.6.
- (4) The sum of the figures computed under (2) and (3) subtracted from 206.835 equals the Flesch reading ease score for the policy form.
- (5) For purposes of (2), (3), and (4), the following procedures shall be used:
 - (a) A contraction, hyphenated word, or numbers and letters, when separated by spaces, shall be counted as one word;
 - (b) A unit of words ending with a period, semicolon, or colon, but excluding headings and captions, shall be counted as a sentence; and
 - (c) A syllable means a unit of spoken language consisting of one or more letters of a word as divided by an accepted dictionary. Where the dictionary shows two or more equally acceptable pronunciations of a word, the pronunciation containing fewer syllables may be used.
- (6) The term "text" as used in this section shall include all printed matter except the following:
 - (a) The name and address of the insurance company; the name, number or title of the group policy; and;
 - (b) Any language which is drafted to conform to the requirements of any federal law or regulation; any policy language required by any collectively bargained agreement; any medical terminology; any words which are defined in the statement of insurability; and any language required by law or regulation; provided, however, the insurance company identifies the language or terminology excepted by the paragraph and certifies, in writing, that the language or terminology is entitled to be excepted by this paragraph.
- (7) At the option of the insurance company, statements of insurability may be scored as separate forms or as part of the group policy with which they may be used.