GROUP POLICYHOLDER APPLICATION UNIFORM STANDARDS

Scope: These standards are intended to apply to paper, telephonic or electronic applications for coverage provided by group insurance policy forms available for filing with the IIPRC. These standards are intended to apply to new business applications as well as applications used to request changes to existing policies.

With respect to non-employer groups, approval of a group policy and certificate by the Commission shall not be deemed as approval to use or issue the product to a non-employer group. A non-employer group must be approved or permitted by the Compacting State as required under the applicable state laws and procedures before a product filing approved by the Commission pursuant to the applicable group Uniform Standards may be issued to a non-employer group.

The insurance company may submit one multi-purpose application to accommodate new business and all policy changes (reinstatement, addition, deletion or change in eligible classes, change in amounts of insurance, addition, deletion or change in benefit features, etc.), submit separate applications for each purpose, or submit an application with any combination of purposes (new business and reinstatement only, reinstatement only, new business and all policy changes, etc.).

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, disability income 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:

"Application" is any form used to apply for group insurance benefits for persons who are eligible for insurance under the group policy. The application shall be filed for approval whether or not it is attached to the policy at issue.

"Policy" is the group insurance policy issued to the Policyholder.

"Policyholder" is the group entity to whom the policy is issued.

"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:

(1)   The references to "policy" and "policyholder" do not preclude group annuity insurance companies from substituting "contract" and "contractholder" in their forms.

(2)   Other terms may be used in the application, provided they are used consistently.

§ 1.   ADDITIONAL SUBMISSION REQUIREMENTS

A.   GENERAL

The following additional filing submission requirements shall apply:

(1)   Include all forms filed for approval with the filing. Changes to a previously approved form shall be highlighted.

(2)   If the application is submitted for use by more than one insurance company, the following requirements shall apply:

(a) The name of each insurance company shall appear at the top of the first or cover page of the application, and a means of designating the appropriate insurance company must be available, such as checkboxes in front of each insurance company's name. A "blank space write in" format will not be acceptable;

(b) Multiple insurance companies may be represented in one filing, provided that:

(i)   All insurance companies shown at the top of the first or cover page of the application 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 insurance 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 insurance company and state shall apply; and

(c) The application shall have the same form number for each insurance company, and the form number shall be unique within each insurance company.

(3) If the application will be used for multiple purposes:

    (a) The intended purpose shall appear at the top or first page of the application, and a means of designating the intended use shall be available, such as a checkbox in front of each use. A "blank space write in" format is not acceptable.

    (b) The Policyholder shall be provided instructions that specify which sections of the application must be completed for each purpose.

(3) Include all the sections and questions that may be required to be completed by the Policyholder.

(4) If a filing is being submitted on behalf of an insurance company, include a letter or other document authorizing the firm to file on behalf of the insurance company.

(5) If the application contains variable items, include the 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.

(6) Include a certification signed by an insurance company officer that the application has a minimum Flesch score of 50, if applicable. If sections of the application are subject to federal jurisdiction, and accordingly the Appendix A requirements will not apply, the certification shall include a statement to that effect.

(7) Include a statement of the types of policy forms and plans with which the application will be used. For example, group term life insurance with accidental death and dismemberment benefits, accelerated death benefits, and continuation of insurance benefits with and without premium payment, etc.

(8) Include a statement of how the application will be used, such as paper, electronic, and/or telephonic. For electronic and telephonic uses, the insurance company shall:

    (a) Describe the procedures that will be used to verify the authenticity of the transaction; and

    (b) Include a John Doe sample that shows additional sections and questions that are required to be completed by the Policyholder.

    Additionally, for telephonic uses the insurance company shall describe the process by which the Policyholder is given the completed application for signature prior to or on the date the policy is issued.

(9)   Include a description of any innovative or unique features of the application.

(10)   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 with the filing.

B.   VARIABILITY OF INFORMATION

(1)   The insurance company may identify items that will be considered variable in the application, such as:

    (a)   The insurance company address and other contact information;

    (b)   Plan information, such as eligible classes, eligibility requirements, evidence of insurability requirements; amounts of insurance, and benefit features.

    The item shall be bracketed or otherwise marked to denote variability. The submission shall include a Statement on Variability that will discuss the conditions under which each variable item may change.

C.   READABILITY REQUIREMENTS

(1)   The application text 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 application text shall be presented in not less than ten point type, one point leaded.

(3)   The style, arrangement and overall appearance of the application shall give no undue prominence to any portion of the text or section of the application.

§ 2.   GENERAL FORM REQUIREMENTS

A.   COVER PAGE OR FIRST PAGE

(1)   The full corporate name of the insurance company shall appear in prominent print on the cover page or first page of the application. "Prominent print" means, for example, all capital letters, contrasting color, underlined or otherwise differentiated from the other type on the form.

(2)   If an application will be used by more than one insurance company, each insurance company's full corporate name shall appear in prominent print on the cover page of the application, and a means of designating the appropriate

insurance company must be available, such as checkboxes in front of each insurance company's name.

(3)   If the application will be used for multiple purposes, the intended purpose shall appear at the top of the first or cover page of the application and a means of designating the appropriate use must be available, such as a checkbox in front of each use.

(4)   If the application will be used for policy changes, the application shall:

(a)   Instruct the Policyholder to provide the policy number for each existing policy for which change is being requested; and

(b)   Identify the eligible classes to whom the changes apply.

(5)   A marketing name or logo may also be used on the cover page or first page of the application provided that the marketing name or logo does not mislead as to the identity of the insurance company.

(6)   The insurance company's complete mailing address shall appear on the cover page or first page of the application.

(7)   A form identification number shall appear at the bottom of the application in the lower left hand corner of the application. The form number shall be adequate to distinguish the form from all others used by the insurance 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.

(8)   A brief description that shall appear in prominent print on the cover page or the first page of the application indicating that the application is for group insurance.

B.   FAIRNESS

(1)   The application 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 will be used.

(2)   The application questions shall be presented as single direct questions, not as declaratory statements.

§ 3.   APPLICATION SECTIONS

A.   POLICYHOLDER DATA

(1)   The application shall request the information that the insurance company determines it needs to identify the Policyholder and provide contact information, such as: full legal name of the Policyholder, address, telephone number, email address, and tax identification number.

(2)   The application shall request the information that the insurance company determines it needs to identify subsidiaries, affiliates, divisions, branches or other similar entities of the Policyholder which are to be included for coverage under the policy and provide contact information, such as: the full legal name of the entity, address, telephone number, email address, and tax identification number.

B.   POLICY EFFECTIVE DATE

(1)   The application shall request the date that the group policy shall take effect, subject to the insurance company's acceptance of the application and the Policyholder's payment of the required premium due on or before such date.

C.   POLICY SITUS

(1)   The application shall identify the jurisdiction whose laws will govern the policy.

D.   COVERAGE DATA

(1)   The application shall allow the Policyholder to identify the classes of employees or members and/or dependents eligible for insurance under the policy, and specify coverage data such as: the number of persons to be covered, whether coverage will be contributory or noncontributory, the applicable percentages for contributory coverage (amount to be paid by Policyholder and amount to be paid by the employee or member), type of coverage selected for each eligible class, eligibility requirements, eligibility waiting periods, the benefit amounts, the benefit amount reduction formulas, etc.

E.   PREMIUM DATA

(1)   The application shall allow the Policyholder to specify the amount paid with the application, premium mode and billing information.

Drafting Note: If premium is not required, this provision shall not apply

F.   AGREEMENT

(1)   The application shall include a statement that the Policyholder agrees to accept the terms and provisions of the group policy, including its exhibits, riders, endorsements or amendments, if any.

G.   FRAUD NOTICE/WARNING

(1)   The application shall include the following fraud notice/warning: "Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law."

H.   SIGNATURE REQUIREMENTS

(1)   The application shall include a signature section which may include items such as: printed name and signature of legal representative of the Policyholder; printed title of such representative; city and state where signed; date of signature; printed name and signature of licensed agent as required by state law; printed name and signature of a witness.

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 policy; the table of contents or index; captions and sub-captions; specifications pages, schedules or tables; and;

    (b)   Any policy 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 policy; and any policy language required by law or regulation; provided, however, the insurance company identifies the language or terminology excepted by this- 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, riders, endorsements, amendments, applications and other forms made a part of the policy may be scored as separate forms or as part of the policy with which they may be used.