



# REQUEST FOR NEW UNIFORM STANDARDS OR CHANGES TO UNIFORM STANDARDS

**NAME OF PERSON REQUESTING CHANGE:** American Council of Life Insurers

**AFFILIATION:** Industry Advisory Committee

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**REQUEST IS FOR:** Amendment to Existing Standard

**SECTION AND SUBSECTION(S) OF UNIFORM STANDARD IF APPLICABLE:** Expansion of scope to allow for eligible non-employer groups would apply to the (1) Group Disability Income Insurance Standards and (2) Group Annuity Standards (including Group Annuity Certificates, Group Fixed Annuities, and Group Guaranteed Interest Contracts for Non-Variable Annuities)

Recommendation of portability trusts as an eligible non-employer group would apply to all the group standards.

**DETAILED DESCRIPTION OF THE REQUEST, INCLUDING THE SCOPE IF A NEW UNIFORM STANDARD, AND IF APPROPRIATE ALSO INCLUDE PROPOSED LANGUAGE CONSIDERATION:** We request that the Compact (1) expand the scope of all remaining group product standards to allow for eligible non-employer groups and (2) recommend that the states include portability trusts as an eligible non-employer group.

DETAILED EXPLANATION OF THE REASON FOR THE REQUEST. IF A NEW UNIFORM STANDARD, PLEASE PROVIDE SUPPORT THAT THIS TYPE OF PRODUCT HAS BEEN FILED AND APPROVED IN COMPACTING STATES. IF AN AMENDMENT TO AN EXISTING UNIFORM STANDARDS, PLEASE PROVIDE SUPPORT FOR HOW CIRCUMSTANCES OR UNDERLYING ASSUMPTIONS (WHETHER IN REGULATION, IN THE MARKETPLACE OR OTHERWISE) HAVE CHANGED: It is important, for both substance and consistency, that the scope of the remaining group product standards be expanded to allow for eligible non-employer groups. In some cases, this could be done with a simple amendment to allow for changes in terminology based on whether the group is a non-employer group.

In addition, we ask that the Compact recommend that the states include portability trusts as an eligible non-employer group. A portability trust provides a means to allow individuals who are insured under a traditional group life policy to retain coverage after they would otherwise lose coverage due to termination of their employment or discontinuance of the underlying group policy. The means through which the portability option is offered is via a group policy issued to a trust (i.e., a “portability trust”). The trust is the policyholder (for the portability option only, the underlying group policy is/was issued to the person’s [now former] employer). Portability provides a great benefit to consumers. Not only can employees who were covered through their employer’s group policy retain their coverage when it would otherwise expire due to termination of employment or discontinuation of the underlying coverage, but they also retain their insurance at favorable group rates.

IS THIS CHANGE CURRENTLY ACCEPTED IN COMPACT STATES? Unknown

WOULD THIS CHANGE CONFLICT WITH ANY NAIC MODEL LAWS OR REGULATIONS? Unknown