



**DATE:** September 16, 2024

**TO:** Insurance Compact Management Committee

**FROM:** Product Standards Committee

**RE:** **Draft Amendments to the Group Disability Income Uniform Standards to allow for other than employer groups  
Recommendation Pursuant to Section 119 of the Rulemaking Rule for Changes and Clarifications to certain Uniform Standards Effective Between January 1, 2016, and June 30, 2017 (Phase 10) Subject to the Five-Year Review Process (Group Disability Income Insurance Uniform Standards)**

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The Product Standards Committee (“PSC”) of the Interstate Insurance Product Regulation Commission (“Commission”) is charged with developing proposed drafts of Uniform Standards. In carrying out its charge, the PSC has finalized the following draft amendments to the Uniform Standards in the group disability income product line to allow for other than employer groups and to add amendments as the result of comments received during the 5-year review. The Five-Year review memo is attached as Appendix B and the Summary of Recommendations is attached as Appendix C. The PSC is recommending that the Management Committee initiate the rulemaking procedure<sup>1</sup> with respect to these amendments to the proposed Uniform Standards.

- Group Disability Income Policy and Certificate Uniform Standard
- Uniform Standards for Group Disability Income Insurance Enrollment Forms and Statement of Insurability Forms
- Uniform Standards for Group Disability Income Insurance Statement of Insurability Change Form
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Disability Income Insurance Policy Changes
- Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Disability Income Insurance Certificate Changes
- Uniform Standards For Group Disability Income Insurance Initial Rate Filings
- Uniform Standards for Filing Revisions to Rate Filing Schedules in Group Disability Income Insurance Policies

This recommendation is to initiate the rulemaking process with respect to these seven Uniform Standards. The Committee recommends these uniform standards not be available for Mix and Match to be used in combination with State Product Components as described in §111 of the IIPRC

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<sup>1</sup> The rulemaking procedure is set forth in the *Rule for Adoption, Amendment and Repeal of Rules for the Interstate Insurance Product Regulation Commission*.

Operating Procedure for the Filing and Approval of Product Filings except that these standards are available to be used in combination with state-approved group life insurance policies and annuity contracts, provided that the disability income rider and all the components associated with the disability income rider, e.g. application and rates, are filed and approved in accordance with the applicable uniform standards.

The PSC also recommends that filings submitted under these Uniform Standards continue to be subject to prior review and approval and not self-certification.

The Product Standards Committee (PSC) developed amended drafts of the seven group disability income standards to allow for non-employer groups and held a public call on July 9, 2024. The PSC did not receive any written or oral comments. A summary of the draft amendments is attached to this memo.

In addition, the draft amendments to the Group Disability Income Policy and Certificate Uniform Standard and the Uniform Standards for Group Disability Income Insurance Initial Rate Filings are amended in response to comments received as part of the 5-year review of the Group Disability Income Uniform Standards. The PSC held a public call on August 27, 2024, to receive comments. There were no written or oral comments received on the amendments. A summary of the draft amendments is attached to this memo.

Given the extensive, transparent, and documented drafting process preceding these recommendations, the PSC suggests that any additional comments or concerns about these recommended Uniform Standards be raised, considered, and discussed by all members and interested parties during the Management Committee's formal rulemaking process. The PSC is available to respond to any questions or requests for information to assist the Management Committee.

## **Appendix A - Proposed Changes to the Uniform Standards to Expand the Scope for Non-Employer Group**

### **Group Disability Income Policy and Certificate Uniform Standard**

- Deleted the reference to employer groups in the title of the standard
- Added Non-employer language in Scope
- Added Employer group and non-employer group definitions and drafting note
- Amended §1. Additional Submission Requirements B. Variability of Information (2) to address differences in types of employer and non-employer groups
- Modify definition of Covered person on §3. Terms and Concepts (15) to delete examples of employees and reference to associations
- Amend definition of “employee” in §3. Terms and Concepts (23) to add references to applicable law in the state
- Amend definition of “job” in §3. Terms and Concepts (31) to replace employer with policyholder
- Amended Medical Insurance Premium Benefit in §10. Incidental Benefit Provisions M. (1) to delete “employee” and replace it with “Covered Person”
- **5-Year Review** Amended § 7. Permissible Limitations Or Exclusions, O. Mental Or Nervous Disorders, to add “Subject to the applicable law in the state where the policy is delivered or issued for delivery, *Disability* that results from *Mental or Nervous Disorders* may be limited or excluded. If coverage is to be limited, coverage shall be provided for a period specified in the certificate, not less than 12 months or the maximum Benefit Period, whichever is less.”
- **5-Year Review** Replaced § 9. Benefit Provisions, B. Disability Benefits Reduced On Account Of Other Benefits Or Income (c):
  - ~~e) Disability benefits under state disability plans, such as California, Hawaii, New Jersey, New York, Puerto Rico and Rhode Island~~
  - (c) Benefits payable for disability under state or federal disability income plans, paid family and medical leave plans, or other similar governmental compulsory plans, unless prohibited by state law.

### **Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Disability Income Insurance Policy Changes**

- Deleted the reference to employer groups in the title of the standard: Group Disability Income Insurance Policy and Certificate Uniform Standards ~~for Employer Groups~~.
- Added Non-employer language in Scope

### **Uniform Standards for Group Disability Income Insurance Enrollment Forms and Statement of Insurability Forms**

- Added Non-employer language in Scope of both the Enrollment Form and the Statement of Insurability Form Standards
- In the definition of “census data” replaced employer with policyholder in one place

- Deleted the reference to employer groups in the title of the standard: Group Disability Income Insurance Policy and Certificate Uniform Standards ~~for Employer Groups~~
- Deleted a duplicate paragraph referencing employer groups at the end of §1. Enrollment Form Standards

**Uniform Standards for Group Disability Income Insurance Statement of Insurability Change Form**

- Deleted the reference to employer groups in the title of the standard: Group Disability Income Insurance Policy and Certificate Uniform Standards ~~for Employer Groups~~.
- Added Non-employer language in Scope

**Uniform Standards for Riders, Endorsements or Amendments Used to Effect Group Disability Income Insurance Certificate Changes**

- Added “or covered person” after employee in the Scope
- Added Non-employer language in Scope
- Deleted the reference to employer groups in the title of the standard: Group Disability Income Insurance Policy and Certificate Uniform Standards ~~for Employer Groups~~
- Added “or covered person” after employee in §2. Benefit Provisions A. (6)

**Uniform Standards For Group Disability Income Insurance Initial Rate Filings**

- Added Non-employer language in Scope
- Deleted reference to Employer Group in the reference to the title of the Group Disability Income Insurance Policy and Certificate Uniform Standards ~~for Employer Groups~~
- **5-Year Review** Technical edits to Additional Submission Requirements, B. Actuarial Submission Requirements (1)(g)

**Uniform Standards for Filing Revisions to Rate Filing Schedules in Group Disability Income Insurance Policies**

- Added Non-employer language in Scope
- Deleted the reference to employer groups in the title of the standard: Group Disability Income Insurance Policy and Certificate Uniform Standards ~~for Employer Groups~~

## **Appendix B – Phase 10 of the Five-Year Review Process Recommendations for the Group Disability Income Standards.**

### **Recommendation Pursuant to Section 119 of the Rulemaking Rule for Changes and Clarifications to certain Uniform Standards Effective Between January 1, 2016, and June 30, 2017 (Phase 10) Subject to the Five-Year Review Process (Group Disability Income Insurance Uniform Standards)**

The Product Standards Committee (“PSC”) of the Interstate Insurance Product Regulation Commission (“IIPRC”) is charged with reviewing, drafting and recommending proposed drafts of Uniform Standards for consideration and adoption by the Management Committee. In carrying out its charge, the PSC has conducted a review of the Uniform Standards effective between January 1, 2016, and June 30, 2017, and is recommending amendments to certain provisions within these Uniform Standards.

This phase (Phase 10) of the Five-Year Review includes all of the Group Disability Income Insurance Uniform Standards. The PSC presents this recommendation pursuant to §119 of its Rule for the Adoption, Amendment and Repeal of Rules for the Interstate Insurance Product Regulation Commission (“Rulemaking Rule”) which requires the Commission to substantially review its rules, including Uniform Standards, every five years. The PSC performed the review of these Uniform Standards in accordance with the Procedures for Implementing §119 of the Rulemaking Rule as adopted by the Management Committee on March 2, 2012 (“Procedures”).

The Notice of Five-Year Review for Uniform Standards Effective between January 1, 2016, and June 30, 2017, was issued on February 2, 2022. Comments were submitted by the ACLI and the Compact Office.

Pursuant to the Procedures, the IIPRC Office presented a memo with the recommendations to the Product Standards Committee on September 10, 2024. The IIPRC Office Report and Recommendation provided a detailed description of the submitted comments and suggested changes as well as changes or amendments proposed by the IIPRC Office based on these comments and internal challenges faced in applying or implementing the Uniform Standards. The PSC requested public written comments on the IIPRC Office Report and Recommendation and during its consideration process held a public call on August 27, 2024, to receive comments on the PSC recommendations.

The final Product Standards Committee Report and Recommendation is divided into four parts: 1) Substantive Changes (proposed amendments that would change or alter the meaning, application or interpretation of the provision); 2) Clarifications Changes (amendments to clarify the original or existing meaning, application, and/or intent of a provision); 3) Conforming Amendments (amendments to existing Uniform Standards where the substantive provisions of the amendments are included in other adopted Uniform Standards, and the amendments will have the same substantive effect on the application of the existing Uniform Standards as it does on in the other adopted Uniform Standard) and; 4) Technical Items (formatting, typographical, and/or drafting corrections). As part of the Five-Year Review process, the applicable changes adopted by the Commission in prior phases of the Five-Year Review process will be presented as conforming amendments to Uniform Standards subject to Phase 10.

As required by the Procedures, the PSC's recommendation to the Management Committee includes a summary of recommended changes and an explanation of the change in circumstances or underlying assumptions since the rule was last adopted, amended or reviewed, as well as comments raised but not recommended by the Committee with the reasons for not recommending these items. Since most conforming amendments were already summarized in prior phases of the Five-Year Review and since the technical changes are format and typographical corrections, these items are not detailed on the chart. The Summary of Five-Year Review Comments, the table (Appendix C) and PSC Recommendations for Uniform Standards in Phase 10 accompany this Transmittal Memo.

As was previously recommended in prior Five-Year Reviews, the PSC recommends that the proposed amendments apply only to new filings received after the effective date of the amendments. It is not necessary to resubmit previously approved forms to comply with these amendments, or to suspend use of previously approved forms that do not comply with these amendments.

This Summary will be posted to the Rulemaking Docket of the Insurance Compact Website ([www.insurancecompact.org](http://www.insurancecompact.org)) and will have links to the applicable Uniform Standards showing the proposed Five-Year Review changes in redlined format. The PSC is available to respond to any questions to assist the Management Committee during its rulemaking process.

**APPENDIX C - SUMMARY OF THE PRODUCT STANDARDS COMMITTEE (PSC) RESPONSE TO COMMENTS REGARDING AMENDMENTS TO GROUP DISABILITY INCOME INSURANCE (GDI) UNIFORM STANDARDS (PHASE 10 OF THE FIVE-YEAR REVIEW OF UNIFORM STANDARDS)**

	<b>Uniform Standards Provision</b>	<b>Comment</b>	<b>Product Standards Committee Recommendation</b>
1.	<p>Group Disability Income Policy and Certificate Uniform Standard</p> <p>§ 7. Permissible Limitations Or Exclusions, O. Mental Or Nervous Disorders (1) Subject to the applicable law in the state where the policy is delivered or issued for delivery, Disability that results from Mental or Nervous Disorders may be limited or excluded. If coverage is to be limited, coverage shall be provided for a period specified in the certificate, not less than 12 months.</p>	<p>ACLI Comment: We strongly suggest revising these provisions to follow what is standard in state filings – that these conditions can have a combined maximum payment duration with no individual minimums, as opposed to the current requirement that we can combine the maximum payment duration but must include language that the durations cannot be less than 12 months individually for Mental Illness, Substance Abuse, Special Conditions, or Self-Reported Conditions. Based on our experience, no state that allows these limitations prohibits a combined maximum benefit period or requires a 12-month minimum individually even when the overall max is combined, so we do not think that Compact should take this position.</p>	<p>The PSC agreed that the section should be amended to make it clear that the benefit may be limited. The PSC recommended adding “or the maximum Benefit Period, whichever is less” to the end of the section:</p> <p>Subject to the applicable law in the state where the policy is delivered or issued for delivery, Disability that results from Mental or Nervous Disorders may be limited or excluded. If coverage is to be limited, coverage shall be provided for a period specified in the certificate, not less than 12 months <b>or the maximum Benefit Period, whichever is less.</b></p>
2.	<p>Group Disability Income Policy and Certificate Uniform Standard</p> <p>§ 9. BENEFIT PROVISIONS B. DISABILITY BENEFITS REDUCED ON ACCOUNT OF OTHER BENEFITS OR INCOME (1) The Disability benefits payable under the certificate may be reduced by the</p>	<p>ACLI Comment: The offset that currently allows for “Disability benefits under state disability plans, such as California, Hawaii, New Jersey, New York, Puerto Rico and Rhode Island” needs to be expanded to include the medical benefits payable under state paid family medical leave (PFML) plans. We suggest broadening the exclusion to delete reference to the</p>	<p>The PSC agreed to replace (c) with an additional statement “unless prohibited by state law”.</p> <p><b>(c) Benefits payable for disability under state or federal disability income plans, paid family and medical leave plans, or other similar governmental compulsory plans, unless prohibited by state law.</b></p>

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	<b>Uniform Standards Provision</b>	<b>Comment</b>	<b>Product Standards Committee Recommendation</b>
	following other benefits or income sources from: (c) Disability benefits under state disability plans, such as California, Hawaii, New Jersey, New York, Puerto Rico and Rhode Island	states and make it more inclusive, such as “Benefits payable for disability under state or federal disability income plans, paid family and medical leave plans, or other similar governmental compulsory plans.”	
3.	Uniform Standards For Group Disability Income Insurance Initial Rate Filings  B. ACTUARIAL SUBMISSION REQUIREMENTS B. (1)(g)	Compact Office comment: The Compact Office suggested considering amending the standard to include adjustments to the MLR for high average premiums similar to what was done in the Individual Disability Income rate standard and clarifying references to policy Premium per Covered Person.	The PSC recommends accepting the amendments. (ii) Adjustments to Initial MLR to determine MLR. The adjustment below should be made only if the expected average annual <b>policy</b> Premium per Covered Person for the policy form, considering the distribution of business assumptions in § 2B(1)(e)(vi) above, is less than \$2,500:  The initial MLR shown in the table above shall be adjusted according to the formula below, where:  $MLR = (Initial\ MLR) * (A - 25 * I) / A$ and  $I = [CPI - U, Year (N - 1)] / 103.9$ where  (I) The value for A is the average annual policy Premium <b>per Covered Person</b> . The average annual policy Premium <b>per Covered Person</b> shall be estimated by the insurer based on an anticipated distribution of business by all significant criteria having a price difference, such as age, gender, amount, etc., except assuming an annual mode for all policies:



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	<b>Uniform Standards Provision</b>	<b>Comment</b>	<b>Product Standards Committee Recommendation</b>
			<p>Documentation of the estimation shall be included.</p> <p>(II) (N-1) is the calendar year immediately preceding the calendar year (N) in which the rate filing is submitted to the Interstate Insurance Product Regulation Commission; and</p> <p>(III) CPI-U [1982-84=100] is the consumer price index for all urban consumers, for all items, and for all regions of the U.S. combined, as determined by the U.S. Department of Labor, Bureau of Labor Statistics. The CPI-U [1982-84=100] for any year is the value as of September;</p> <p>(iii) Companies shall make adjustments to the Initial MLR for high average premium plans to determine the MLR. The adjustment below should be made if the expected average annual premium for the policy form, considering the distribution of business assumptions in § 2B(1)(e)(vi) above, is greater than \$15,000:</p> <p>The initial MLR shown in the table above shall be adjusted according to the formula below, where:</p> <p>MLR = (Initial MLR)* (A+150*I)/A and</p>

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	Uniform Standards Provision	Comment	Product Standards Committee Recommendation
			<p><math>I = [\text{CPI-U, Year (N-1)}] / 103.9</math> where</p> <p>(I) The value for A is the average annual policy <i>Premium per Covered Person</i>.</p> <p>The average annual policy <i>Premium per Covered Person</i> shall be estimated by the insurer based on an anticipated distribution of business by all significant criteria having a price difference, such as age, gender, amount, dependent status, rider frequency, etc., except assuming an annual mode for all policies;</p> <p>(II) (N-1) is the calendar year immediately preceding the calendar year (N) in which the rate filing is submitted to the Interstate Insurance Product Regulation Commission; and</p> <p>(III) CPI-U is the consumer price index for all urban consumers, for all items, and for all regions of the U.S. combined, as determined by the U.S. Department of Labor, Bureau of Labor Statistics. The CPI-U for any year is the value as of September;</p> <p>(iv) Limitation on Adjustments to Initial MLR. In no event shall the adjustment to the initial MLR be more than 5%; and</p> <p>(v) The discount rate and the average annual <del>policy</del> <i>Premium per Covered Person</i> <del>under the policy</del> <i>average annual policy premium</i> (A), and MLR shall</p>

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	<b>Uniform Standards Provision</b>	<b>Comment</b>	<b>Product Standards Committee Recommendation</b>
			be shown as part of the information in Appendix A attached to these standards.
4.	<p>Group Disability Income Policy and Certificate Uniform Standard</p> <p>Mix and Match: These standards are not 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, except that these standards are available to be used in combination with state-approved group life insurance policies and annuity contracts, provided that the disability income rider and all the components associated with the disability income rider, e.g. application and rates, are filed and approved in accordance with the applicable uniform standards.</p>	<p>ACLI Comments: We strongly advocate for updated mix-and-match procedures to allow for state-filed group applications and evidence of insurability (EOI) forms to be used with Compact filed products, as applicable, and vice versa. Most group applications contain references to group products other than the Compact-filed product, and they are filed in each state and contain various state variations. It is not possible to reconcile the Compact-version for use with all products with the state-filed versions and having two separate group applications and EOI forms (one for the Compact-approved product and one for all other state-filed products) is cumbersome and non-user friendly. Allowing mix-and-match would simplify this.</p>	<p>The PSC recommends no change. The PSC asked why a company would not use the Compact-approved application and statement of insurability forms with state-filed products. The company could also file the state application/statement of insurability form with the Compact, but it would have to be modified to comply with the uniform standards.</p>
5.	<p>Group Disability Income Policy and Certificate Uniform Standard</p> <p>J. GRACE PERIOD</p>	<p>ACLI comment: We suggest deleting the requirement that, if the Premium is not paid by the due date, the insurance company must give written notification to the policyholder that if the Premium is not paid by the end of</p>	<p>Based on the information provided, the PSC did not see a basis to amend the uniform standards or the policy provision stating that a notice is to be provided if the premium is not paid by the end of the grace period. The uniform standard does not state that a separate notice needs to be provided during the grace period. The effect</p>

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	<b>Uniform Standards Provision</b>	<b>Comment</b>	<b>Product Standards Committee Recommendation</b>
	<p>(1) The policy shall include a grace period provision and describe the conditions of the provision.</p> <p>(c) The provision shall state that if the Premium is not paid by the due date, the insurance company shall give written notification to the Policyholder that if the Premium is not paid by the end of the grace period, the policy will end on the last day of the grace period. If the insurance company fails to give such written notice, the insurance provided under the policy will continue in effect until the date such notice is given;</p>	<p>the grace period, the policy will end on the last day of the grace period. This notice and clear details on when premiums are due is already included in the policy; insurers do not typically send a late or termination notice until after the end of the grace period.</p> <p>Perhaps clarification of the Standards can be made to clarify that insurers are not required to notify policyholders of impending termination each month if they don't pay premium by the premium due date, and instead clarify that such "late payment" letters must be sent when premium is actually late (i.e. at the end of the grace period), allowing the insurer to terminate at the end of the grace period if premium is not submitted by that date.</p>	<p>of nonpayment can be incorporated into the premium notice.</p>
6.	<p>Group Disability Income Policy and Certificate Uniform Standard</p> <p>(3) Filing a Claim.</p> <p>(b) A provision that within 15 days after the date of a Covered Person's notice, the insurance company will</p>	<p>ACLI Comment: In today's digital and electronic claims environment, we suggest adding clarification under the "Filing a Claim" section that "...the insurance company will send the Covered Person certain claim forms" within 15 days includes providing</p>	<p>The PSC reviewed the provision and noted that it is generic enough to permit a reference to electronic access and no amendment is needed. PSC members commented that electronic access is permitted but cannot be required as not all certificateholders have access to a computer.</p>

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	<b>Uniform Standards Provision</b>	<b>Comment</b>	<b>Product Standards Committee Recommendation</b>
	send the Covered Person certain claim forms. The forms must be completed and sent to the insurance company’s home office or to one of its regional group claims offices. The provision shall state that if the forms are not furnished by the insurance company within 15 days after the giving of such notice, the Covered Person shall be deemed to have complied with the requirements as to Proof of Loss when the Covered Person submits written proof covering the occurrence, character and extent of the loss for which claim is made.	electronic access to such forms within that timeframe.	
7.	Scope of the Group Disability Income Insurance Policy and Certificate Uniform Standards for Employer Groups	ACLI Comment: Applicability should be broadened beyond just employer groups. Until the applicability of group standards is broader than just employer groups, the group DI standards, as well as the Compact itself, is of limited value for those who routinely quote coverage for unions, METS, associations and other groups that do not have the traditional employer/ employee relationship.	The PSC is working on expanding the scope to nonemployer groups.
8.	Group Disability Income Policy and Certificate Uniform Standard  I. EVIDENCE OF INSURABILITY COSTS	ACLI Comment: Under the EOI section, we strongly suggest deleting the requirement that “The cost of providing such evidence shall be borne by the insurance company.” This is not standard in the DI industry	The PSC notes this is a standard provision in the uniform standards. The PSC notes that comments in favor of repeal or amendment should describe how circumstances or underlying assumptions have changed since the last time the rule was amended in

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	<b>Uniform Standards Provision</b>	<b>Comment</b>	<b>Product Standards Committee Recommendation</b>
	<p>(2) The cost of providing such evidence shall be borne by the insurance company.</p>	<p>and is a hardship for insurers. It is standard for insurers to bear the expense if we request an insured claimant to undergo additional medical exams or testing, but insurers do not generally pay for the expenses a group individual incurs to submit medical EOI to obtain coverage (which happens most frequently when an insured is a late entrant).</p> <p>ACLI Comment: This is no longer an issue, so we withdraw the suggestion.</p>	<p>order to be considered as part of the 5-year review process.</p> <p>ACLI withdrew the request.</p>
<p>9.</p>	<p>Group Disability Income Policy and Certificate Uniform Standard  <b>B. DISABILITY BENEFITS REDUCED ON ACCOUNT OF OTHER BENEFITS OR INCOME</b></p> <p>(1) The Disability benefits payable under the certificate may be reduced by the following other benefits or income sources from:</p> <p>(i) Secondary employment; however, if Disability begins after an increase in secondary employment income, the</p>	<p>ACLI Comment: The offset for secondary employment is confusing and not standard in the industry. It allows offsets for income from secondary employment but also states that, “however, if Disability begins after an increase in secondary employment income, the Disability benefit may or may not be reduced on account of such increase.” It is our understanding that most carriers do not offset with income from secondary employment if such employment began prior to the date of Disability; the “however” caveat in the industry is an exception to this that a carrier would include as an</p>	<p>PSC members found the request hard to follow and ask for information about the request and examples. For instance, clarification is needed from ACLI on what the request is, whether the request is to allow offsets based on income from secondary employment (1) regardless of any increase at any time or (2) for increased income beginning only after disability occurs.</p> <p>ACLI withdrew the request.</p>

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<b>Uniform Standards Provision</b>	<b>Comment</b>	<b>Product Standards Committee Recommendation</b>
<p>Disability benefit may or may not be reduced on account of such increase;</p>	<p>offset any increase in earnings from the secondary employment occurring after the date of Disability. ▪ For example, if someone is disabled from Employer A and has been working 10 hours per week for Employer B and continues this work while the person is disabled from Employer A, there would be no offset to the disability benefit for the income earned from Employer B. However, if after the date of disability from Employer A, the individual increased their hours with Employer B to 30 hours per week, the increase of 20 hours per week occurring after the date of disability from Employment A would be an offset. We do not believe that this is what the Compact standards currently allows (as it mentions a disability occurring after an increase in secondary income) and respectfully request reconsideration.</p> <p>ACLI Comment: We respectfully withdraw our objection since the Standards permit offsets for secondary income or – as we see more commonly - only increases in secondary income occurring after the date of disability, so there’s no need to change the current wording.</p>	

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	<b>Uniform Standards Provision</b>	<b>Comment</b>	<b>Product Standards Committee Recommendation</b>
10.	<p>Group Disability Income Policy and Certificate Uniform Standard</p> <p>T. WORKSITE MODIFICATION BENEFIT FOR THE POLICYHOLDER            (1) This benefit shall only be available for Noncontributory Insurance plans.</p>	<p>ACLI Comment: We also request reconsideration that the Workplace Modification Benefit is only available for noncontributory plans. Based on our members’ experiences, this is only required in two states if filing directly with the states, so is not an industry “standard.” Also, there is a work-around within the product standards whereby insurers can add this for contributory plans if they make it part of the rehabilitation benefit. We, therefore, prefer that the guideline be changed to mirror what is most common in nonCompact state filings.</p> <p>ACLI Comment: We understand that there is some concern over comments that we made in our letter dated April 15, 2022, on the Workplace Modification Benefit in the Group Disability Income Uniform Standards – see the bottom of Page 2 in the attached letter. After discussing this with a couple of our members, we would ask that you ignore that particular comment since it was based solely on the experience of just one member, and we have since learned</p>	ACLI withdrew the request.



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	<b>Uniform Standards Provision</b>	<b>Comment</b>	<b>Product Standards Committee Recommendation</b>
		that it is not reflective of all of our members.	
11.	Group Disability Income Policy and Certificate Uniform Standard Scope: Separate additional standards will apply to business overhead expense benefits, and insurance companies may provide these as part of a group disability income insurance policy and certificate, or the benefits may be provided under a separate group business overhead expense policy and certificate.	ACLI Comment: We advocate for adding standards for Business Overhead Expense Benefits to the group DI product standards so that it can be filed as an additional benefit within the disability filing, as other “additional benefits” are handled.	This request is not an amendment to an existing standard. It requires a separate standard. This request should be made through the Annual Prioritization Process.
12.	Group Disability Income Policy and Certificate Uniform Standard  F. ELIGIBILITY PROVISIONS (1) (d) (i) If the Covered Person is not Actively at Work on the date insurance would otherwise take effect, insurance will take effect on the day he resumes Active Work.	ACLI Comment: The product standard currently states that insurance will take effect “on the day he resumes Active Work.” We suggest expanding this to allow insurers the choice to instead delay the effective date until the day after the insured returns to Active Work for one full day, as is common in the industry.	The PSC noted that the request did not include the full context of the section, so it was difficult to respond to the request. Also, the PSC notes that comments in favor of repeal or amendment should describe how circumstances or underlying assumptions have changed since the last time the rule was amended in order to be considered as part of the 5-year review process.  ACLI withdrew the request.