

Product Standards Committee Report and Recommendations for the Uniform  
Standards  
Currently Subject to Five-Year Review (Phase 8)  
Certain Uniform Standards Effective Between January 1, 2012  
and December 31, 2012

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	<u>Page</u>
Substantive Change Items	1
Clarification Items	106
Conforming Amendments	140
Technical Items	144

## CONFORMING AMENDMENTS

5-Year Review, Phase 8 (Certain Uniform Standards Effective Between January 1, 2012 and December 31, 2012)

### **Conforming Amendments**

Pursuant to Article III of the Bylaws of the Interstate Insurance Product Regulation Commission, the Commission established procedures for Conforming Amendments to Uniform Standards. A conforming amendment is an amendment to an existing Uniform Standard where the substantive provisions of the amendment are included in another adopted Uniform Standard and the amendment will have the same substantive effect on the application of the existing Uniform Standard as it does on in the other adopted Uniform Standard. As part of the Five Year Review process, the applicable changes adopted by the Commission in the Phase One process will be presented as conforming amendments to standards subject to Phases 2, 3 and 4 of the process. These items will be presented to the Management Committee for Conforming Amendments.

### **List of Conforming Amendments**

1. Conformity with Interstate Insurance Product Regulation Commission
2. Criteria for Disapproval of Initial Rate Filing
3. Updating IDI Standards to Include Certain GDI Provisions

## CONFORMING AMENDMENTS

5-Year Review, Phase 8 (Certain Uniform Standards Effective Between January 1, 2012 and December 31, 2012)

### 1. CONFORMITY WITH INTERSTATE INSURANCE PRODUCT

REGULATION COMMISSION (*Cross-Reference to [IIPRC Office Report 8/13/13](#)– Clarification Item #1*)

**APPLIES:** § 3.C.(2) of the Standards for Individual Disability Income Insurance Policies

## CONFORMING AMENDMENT

### § 3 C. REQUIRED PROVISIONS

- (2) **Conformity with Interstate Insurance Product Regulation Commission Standards.** The policy shall state that it was approved under the authority of the Interstate Insurance Product Regulation Commission and issued under the Commission standards. The policy shall also state that any provision of the policy that on the provision's effective date is in conflict with the applicable Interstate Insurance Product Regulation Commission standards for this product type in effect as of the provision's effective date of Commission contract approval is hereby amended to conform to the applicable Interstate Insurance Product Regulation Commission standards in effect as of the provision's effective date of Commission policy approval for this product type as of the provision's effective date.

## CONFORMING AMENDMENTS

5-Year Review, Phase 8 (Certain Uniform Standards Effective Between January 1, 2012 and December 31, 2012)

2. **CRITERIA FOR DISAPPROVAL OF INITIAL RATE FILING** (*Cross-Reference the [Summary of the Product Standards Committee Response to Comments Regarding the PSC Recommended Group Disability Income Uniform Standards Currently Being Considered by the Management Committee](#) Item 9)*)

### APPLIES:

#### § 1. CRITERIA FOR REVIEW

##### A. GENERAL

The Interstate Insurance Product Regulation Commission will review individual disability income initial rate filings and may disapprove any initial rate filing for any of the following reasons:

- (1) The premiums charged are unreasonable in relation to the benefits provided, or are excessive, inadequate, or unfairly discriminatory;
- (2) The provisions permit the company to vary premiums for insureds, and the variances are not based upon sound underwriting and sound actuarial principles reasonably related to actual or reasonably anticipated loss experience or expenses;

## CONFORMING AMENDMENTS

5-Year Review, Phase 8 (Certain Uniform Standards Effective Between January 1, 2012 and December 31, 2012)

### 3. UPDATING IDI STANDARDS TO INCLUDE CERTAIN GDI STANDARDS

**APPLIES:** Various provisions within the STANDARDS FOR INDIVIDUAL DISABILITY INCOME INSURANCE POLICIES

*IIPRC Office Comments/Observations:* During the development of the Group Disability Income Insurance uniform standards, there were several provisions where it was noted that the standards were not the same as those in the Individual Disability Income Insurance uniform standards. In some cases, the provisions were the result of updated information or knowledge of how the marketplace functions, while others reflected the difference between individual and group products. The Product Standards Committee agreed to review these changes once the group standards were adopted.

**RECOMMENDATION:** The PSC reviewed notes from the development of the Group Disability Income Insurance Uniform Standards as well as requests made by the IAC to include language from the group standards in the IDI standards. The Report includes a chart of items where the PSC believed that it made sense to have consistency between IDI and GDI standards. The PSC concluded that other suggestions made by the IAC were unsupported, beyond the scope of the 5-Year review, took away consumer protections and/or were not provisions typically found in IDI policies.

The recommendations for change are listed in the Chart labeled Appendix A at the end of this report.