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## MEMORANDUM

**TO: IIPRC Management Committee**

**FROM: Product Standards Committee**

**DATE: April 21, 2011**

**SUBJECT: Individual Disability Income Insurance Policy, Application, Outline of Coverage, Rate Filing and Rate Revision Filing Uniform Standards**

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The Product Standards Committee (“PSC”) of the Interstate Insurance Product Regulation Commission (“IIPRC”) is charged with developing proposed drafts of Uniform Standards. In carrying out its charge, the Standards Committee has finalized proposed drafts of four new Uniform Standards.

**The PSC recommends the Management Committee initiate the rulemaking procedure<sup>1</sup> with respect to the following proposed Uniform Standards, copies of which are attached:**

- 1. Standards for Individual Disability Income Insurance Policies,**
- 2. Individual Disability Income Insurance Application Standards,**
- 3. Individual Disability Income Insurance Outline of Coverage Standards,**
- 4. Standards for Individual Disability Income Insurance Initial Rate Filings, and**
- 5. Standards for Filing Revisions to Rate Filing Schedules in Individual Disability Income Insurance Policies.**

The proposed Uniform Standards were originally developed by the NAIC National Standards (EX) Working Group. The PSC thoroughly reviewed the proposed Uniform Standards, including a word-for-word comparison to the relevant long-term care Uniform Standards. The attached drafts contain notes explaining most of the substantive revisions recommended by the PSC. For each of the proposed Uniform Standards, the PSC took the opportunity to add customary language about mix-and-match and self-certification. The PSC does not recommend permitting mix and match with state-approved forms or permitting self-certification for any of the proposed Uniform Standards.

The proposed Uniform Standards were subject to public participation by written comment and a teleconference meeting on April 12. The PSC received written comments from the Industry

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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 IIPRC.

Advisory Committee and Foresters. The PSC's reaction to each of the comments received is highlighted in the attached drafts.

The PSC notes that the proposed Uniform Standards numbered 2 through 5 above are ultimately expected to apply to other types of disability income products such as Business Overhead Expense Plans, Key Person Plans and Buy-Sell Plans. Additionally, the PSC is in the process of reviewing other Uniform Standards necessary to complete the suite of individual disability income products. The PSC expects to complete its review of the remaining individual disability income Uniform Standards in the coming months and anticipates that the necessary Uniform Standards will be considered for final adoption and become available for filing as a complete suite, as was the case with the individual long-term care Uniform Standards.