



## IIPRC-DI-I-H11-OC

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### STANDARDS FOR INDIVIDUAL DISABILITY INCOME INSURANCE OUTLINE OF COVERAGE AS APPLICABLE TO THE FOLLOWING PRODUCTS CHECKLIST:

- **DISABILITY INCOME PLANS**
- **BUY-SELL PLANS**
- **KEY PERSON PLANS**
- **BUSINESS OVERHEAD EXPENSE PLANS**

Effective Date: November 19, 2018

**Scope:** The *Standards for Individual Disability Income Insurance Outline of Coverage* are intended to apply to the outline of coverage required by Section 8.I. of the *NAIC Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171), entitled Disability Income Protection Coverage (Outline of Coverage) for disability income plans, buy-sell plans, key person plans and business overhead expense plans that are individually underwritten, including such plans that are marketed through employer and association sponsored groups (“multi-life” plans), as applicable. This section of the Regulation implements, interprets and makes specific the provisions of the *NAIC Accident and Sickness Insurance Minimum Standards Model Act* (#170) in prescribing a standard format and content for an outline of coverage.

**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*.

**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:

“Disability income” means disability income plans, buy-sell plans, key person plans and business overhead expense plans that are individually underwritten, including plans that are marketed through employer and association groups (“multi-life” plans), as applicable.

“Model Act” means the *NAIC Accident and Sickness Insurance Minimum Standards Model Act* (#170), as adopted by the NAIC in April 1999 and as subsequently amended.

“Model Regulation” means the *NAIC Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171), as adopted by the NAIC in April 1999 and as subsequently amended.

**Drafting Note:** The references to “policy” or “plans” do not preclude Fraternal Benefit Societies from substituting “certificate” in their forms.

**§ 1. ADDITIONAL SUBMISSION REQUIREMENTS**

**A. GENERAL**

The following additional filing submission requirements shall apply:

Yes	N/A	
		(1) All forms filed for approval shall be included with the filing. Changes to a previously approved form shall be highlighted.
		(2) 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.
		(3) If the outline of coverage contains variable items, include the Statement of Variability required in the specific Interstate Insurance Product Regulation Commission national product standard. 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
		(4) Include a statement of the types of policy forms and plans with which the outline of coverage will be used.
		(5) Include a statement of how the outline of coverage will be used, such as paper or electronic. For electronic uses, the company shall describe the procedures that will be used to verify the authenticity of the transaction.
		(6) Include a statement of whether the language of the outline of coverage reflects the language as prescribed in Appendix A and Section 8.I., Disability Income Protection Coverage (Outline of Coverage), of the Model Regulation, or if substantive changes have been made. If substantive changes have been made, the filing shall highlight the changes made.

**B. VARIABILITY OF INFORMATION**

Yes	N/A	
		(1) The standard format for the outline of coverage as prescribed in Appendix A of these standards and Section 8.I., Disability Income Protection Coverage (Outline of Coverage), or the Model Regulation establishes the use of text and sequence of text, and uses brackets to denote text that may be variable.
		(2) Variability shall be limited to that permitted in Appendix A and Section 8.I., Disability Income Protection Coverage (Outline of Coverage), of the Model Regulation. Where variability is available, the company shall identify items that will be considered variable. Variable items shall be bracketed or otherwise marked to denote variability..
		(3) The submission shall include a Statement of Variability that will discuss the conditions under which each variable item may change, as well as the alternative content to which the item may change. The Statement of Variability shall present reasonable and realistic illustrations of how the item may change.

**§ 2. GENERAL FORM REQUIREMENTS**

**A. COVER PAGE OR FIRST PAGE**

Yes	N/A	
		(1) The full corporate name of the company shall appear in prominent print on the cover page or first page of the outline of coverage. “Prominent print” means, for example, all capital letters, contrasting color, underlined or otherwise differentiated from the other type on the form.
		(2) A marketing name or logo may also be used on the cover page or first page of the outline of coverage provided that the marketing name or logo does not mislead as to the identity of the company.
		(3) Each company’s complete mailing address shall appear on the cover page or first page of the outline of coverage.
		(4) A form identification number shall appear at the bottom of the outline of coverage in the lower left hand corner of the outline of coverage. The form number shall be adequate to distinguish the form from all others used by the 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.

**B. OUTLINE OF COVERAGE**

Yes	N/A	
		(1) The outline of coverage shall include the information as prescribed by Appendix A of these standards and Section 8.I., Disability Income Protection Coverage (Outline of Coverage), of the Model Regulation.
		(a) The outline of coverage shall be a free-standing document, presented in a font size no smaller than ten-point type.
		(b) The outline of coverage shall not contain advertising material.
		(c) Appendix A text that is capitalized may be emphasized by other means that provide prominence equivalent to the capitalization; and
		(d) The items included in Appendix A shall appear in the sequence prescribed.
		<b>Drafting Note:</b> To reduce potential confusion about which document is the actual policy, the company should not use or refer to “this policy” in the outline of coverage.

**Appendix A**  
**Standard Format Outline of Coverage**

Yes	N/A	
		[COMPANY NAME] [ADDRESS - CITY & STATE] [TELEPHONE NUMBER] <b>DISABILITY INCOME INSURANCE</b> <b>OUTLINE OF COVERAGE</b> [Form Number or Policy Number]
		(1) Read Your Policy Carefully – This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance policy and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you <b>READ YOUR POLICY CAREFULLY!</b>
		(2) Disability income insurance is designed to provide, to persons insured, coverage for disabilities resulting from a covered accident or sickness, subject to any limitations set forth in the policy. Coverage is not provided for basic hospital, basic medical-surgical, or major medical expenses.
		(3) [Include a brief, specific, clear and concise description of the benefits included in the policy.]
		(4) [Include a description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in Paragraph (3) above.]
		(5) [Include a description of policy provisions for renewability or continuation of coverage, including age restrictions or any insurance company reservation of right to change premiums or to terminate coverage and refund premiums due to misstatement of age as described in Section 3D(4) of the policy standards.]

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