

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION

NOTICE OF PROPOSED RULE

Date Issued: July 1, 2011

Proposed Uniform Standard: Standards for Forms Used to Limit or Exclude Individual Disability Income Insurance Policy Coverage Based on the Underwriting Process

As Applicable to the Following Products:

- Disability Income Plans
- Buy-Sell Plans
- Key Person Plans
- Business Overhead Expense Plans

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1. **Purpose of Proposed New Rules:** The Standards for Forms Used to Limit or Exclude Individual Disability Income Insurance Policy Coverage Based on the Underwriting Process (the “Proposed Standards”) apply to provisions that are built into the disability income insurance policy or added to such policy by rider, endorsement or amendment and that limit or exclude policy coverage in individual disability income plans when the limitations or exclusions are based on information disclosed by the insured in the application or identified for the insured during the underwriting process. The Proposed Standards are also intended to apply to coverage provided by Buy-Sell Plans, Key Person Plans and Business Overhead Expense Plans that may be submitted once other uniform standards for those plans are available.
 2. **Legal Authority:** The Commission is authorized to create uniform standards for products by Article IV, Section 2 of the Interstate Insurance Product Regulation Compact, as enacted into law by each compacting state.
 3. **Text of Proposed New Rules:** The Proposed Standards are available on the Commission’s web site (www.insurancecompact.org) and included with this notice as a separate document.
 4. **Where, When, and How Persons May Present Their Views:** The Management Committee for the Commission will accept written comments on the Proposed Standards until **August 30, 2011**. Written comments may be delivered via electronic mail to comments@insurancecompact.org, or via mail to the Management Committee c/o Karen Schutter, 444 North Capitol Street, NW, Suite 701 Hall of States, Washington DC 20001-1509.
 5. **Where, When, and How Persons May Request a Public Hearing:** Written requests for a public hearing on the Proposed Standards must be received no later than **July 21, 2011**. Persons who may request a public hearing are Commission members, the Management Committee, the Legislative Committee, the Consumer Advisory Committee, the Industry Advisory Committee, or a person or organization representing at least 25 persons affected by the Proposed Standards. Written requests may be delivered via electronic mail to comments@insurancecompact.org, or via mail to the Management

Committee *c/o* Karen Schutter, Executive Director, 444 North Capitol Street, NW, Suite 701 Hall of States, Washington DC 20001-1509.