



IIPRC-L-08-LB-GIB

https://insurancecompact.org/compact_rlmkng_record.htm

ADDITIONAL STANDARDS FOR ADDITIONAL LIFE INSURANCE BENEFITS PROVIDED ON A GUARANTEED INSURABILITY BASIS CHECKLIST

Effective Date: December 4, 2014

Scope: These standards apply to guaranteed insurability benefits in individual life insurance forms. The benefit allows for the purchase of additional life insurance coverage on the life of a designated insured at specified dates and in specified amounts or under a specified formula, without requiring evidence of insurability for the designated insured.

These standards apply to benefits that are built-in to individual life insurance policy forms or are added to such policy forms by rider, amendment or endorsement.

Mix and Match: These standards are 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 (https://insurancecompact.org/compact_rlmkng_record.htm). Please note that this applies to the entire state or Compact approved forms and NOT to particular provisions contained within such forms. Submit the following:

1. STATEMENT OF INTENT indicating the intent to use one or more State Product Components with a Commission Product Component. The Statement of Intent must identify the Compacting State(s) wherein the combined Product Components will be offered or sold, and sufficiently identify for each of such Compacting State(s) the State Component(s) that will be used with the Commission Component by listing the form numbers and Compacting State approval dates; and
2. CERTIFICATION stating that the combination of a Commission Component and a State Component does not contain inconsistent, ambiguous, unfair, inequitable or misleading clauses, or exceptions or conditions that unreasonably affect the risk purported to be assumed. The Certification must be signed by a company officer. This Certification shall not give rise to any presumption that the combination of Product Components, in fact, meets this standard for purposes of any action by the Commissioner of a Compacting State to prohibit the combined use of a Commission Product Component with a State Product Component. https://insurancecompact.org/industry_resources.htm

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.

Filing Information Notice (FIN) 2009-4 provides more guidance regarding the submission of filings using the “Mix and Match” process: <https://www.insurancecompact.org/fin.htm>

§ 1 ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL

Yes	N/A	
		(1) A statement of the types of policy forms with which this benefit will be offered, any underwriting restrictions involving face amount or age, and whether the benefit is intended for use with new issues and/or in force business.
		(2) A description of the benefit for all types of forms with which the benefit will be used.
		(3) An identification of the forms that will be used to provide coverage to a designated insured upon execution of benefits under this form.
		(4) The formulae, if any, and methodology, including any limitations on the periodic or aggregate amount of the benefit, used to determine the benefit and sample calculations for representative issue ages, including issue age 35 if within the issue age range. If the formula or methodology varies by issue age, issue ages should be shown that reflect the variation by issue age.
		(5) A description of any index used as the basis for the benefit, including a description of any factors used in determining the benefit from the index.

§ 2 BENEFIT PROVISIONS

A. BENEFIT

Yes	N/A	
		(1) The form shall describe the conditions that shall be met for exercising the guaranteed insurability benefit option without evidence of insurability required for a designated insured.
		(2) The form or the specifications page of the policy and the application shall identify all designated insureds.
		(3) The form shall state the amount of insurance that may be purchased, either numerically or by formula, the type of plan that may be purchased, the purchase option dates and/or events, the effective date of the insurance, and any limitations that may apply.
		(4) For an option date based on the birth or adoption of a child, the form shall not require that the birth or adoption be predicated on marital status. The form may require that the designated insured assume financial responsibility for the child in order to elect the benefit option.
		(5) If the company requires the consent of the designated insured to exercise the purchase option, the form shall so state.
		(6) The form shall state that if the designated insured dies before a purchase option date, any additional life insurance benefits which have been applied for will not take effect and any identifiable charge paid for such insurance will be refunded. The form may also state that, at the option of the owner, the identifiable charge paid for such insurance may be applied to pay other identifiable charges due under the policy.
		(7) The form may state that certain benefit features available under the policy may also be available under any new policy issued to provide the additional life insurance benefits, and shall describe the terms and conditions for adding such benefits, which shall not include a requirement for evidence of insurability.
		(8) The form shall state the basis for the identifiable charge for the additional insurance purchased and that the risk classification of the designated insured for the additional

		insurance shall not be less favorable than that applicable to the designated insured at the time the form was issued. The identifiable charge for the additional insurance shall not be greater than the company's customary rate applicable to the additional insurance. The company may base the identifiable charge on either the designated insured's attained age on the effective date of the additional insurance or the designated insured's age on the effective date of the form.
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B. DISCONTINUATION OF OR SUBSTANTIAL CHANGE TO AN INDEX

Yes	N/A	
		(1) If an index is used to determine any additional life insurance benefits, the form shall contain a provision indicating what occurs when any index is discontinued or the calculation of an index is substantially changed, with the provision being labeled as such. The provision shall state that if any index is discontinued or if the calculation of any index is changed substantially, the company may substitute a comparable index subject to approval by the Interstate Insurance Product Regulation Commission. The approval shall be contingent on the company providing the Interstate Insurance Product Regulation Commission with either confirmation that the index has been discontinued or documentation of the substantial change to the index and the reasons supporting the need for the index to be discontinued. The form shall also state that, before a substitute index is used, the company shall notify the owner and any assignee of the substitution.

C. INCONTESTABILITY

Yes	N/A	
		(1) If the form is issued as an attachment to the policy, the form may state that the company shall not contest the form after it has been in force during the lifetime of the designated insured for two years from the date of issue of the form except for fraud in the procurement of the form, when permitted by applicable law in the state where the policy is delivered or issued for delivery.

D. NONFORFEITURE VALUES

Yes	N/A	
		(1) If the form is issued as an attachment to the policy, the form shall state that it does not have nonforfeiture values or loan values.

E. REINSTATEMENT

Yes	N/A	
		(1) The form shall include a reinstatement provision on the same, or more favorable, terms as contained in the policy. Drafting Note: This particular issue may lend itself to a conforming amendment.

F. SUICIDE

Yes	N/A	
		(1) The form may state that any additional life insurance benefits may be subject to a suicide exclusion similar to the standards provided in the policy suicide provision, except that the suicide exclusion period shall not exceed two years from the date of

	issue of the form.
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G. TERMINATION

Yes	N/A	
		(1) The form shall include the following termination conditions:
		(a) Upon written request from the owner;
		(b) Upon termination of the policy;
		(c) Upon the death of the last surviving designated insured;
		(d) Upon nonpayment of the identifiable charge for the form, in accordance with the provisions of the form;
		(e) Upon the expiration of the last benefit increase date or last purchase option date; or
		(f) If there is any aggregate limit, on the date the aggregate limit for the benefit under this form has been reached.
		(2) The form may also include the following termination conditions:
		(a) The benefit anniversary on which the designated insured attains a specified age;
		(b) The date the policy lapses or is continued as extended term or paid-up insurance under the nonforfeiture provisions;
		(c) If the policy is an endowment policy, on the date of endowment, regardless if the endowment date is deferred;
		(d) If the policy is a limited-payment policy, on the date the policy becomes fully paid-up; and/or
		(e) If benefit increases provided in the form are elective, the date the owner declines a benefit increase.

The Reviewer Checklist is intended for the sole purpose of assisting a company product filer ("User") in understanding the requirements of the applicable Uniform Standard(s) for IIPRC product filings. Users are hereby notified not to rely solely upon the Reviewer Checklist in preparing a product filing or in complying with the IIPRC Uniform Standards, Rules and Operating Procedures. The User also acknowledges there is a possibility of human, mechanical or technical error in the development, presentation or use of the Reviewer Checklist. The Interstate Insurance Product Regulation Commission (Commission) accepts no liability for any loss, cost or damage caused by use of this tool, including without limitation, direct or indirect, incidental, special, consequential or exemplary or punitive damages arising out of the use or inability to use the Reviewer Checklist. There are no warranties either express or implied and User specifically acknowledges the Commission does not warrant the truth, accuracy or completeness of the Reviewer Checklist.