

DATE: August 5, 2008

TO: IIPRC Management Committee

FROM: IIPRC Industry Advisory Committee

SUBJECT: Operating Procedure for the Filing of Certifications For Foreign Language Translations for Product Filings

§ 102 (d)

Our comments are based on today's regulatory requirements for foreign translations.

Today, only Puerto Rico requires that a Spanish translation be filed and certified as to its accuracy. The certification used for Puerto Rico requires the company to recognize that, in the event of a discrepancy between the English version and its corresponding Spanish translation, "the text that is of most benefit to the insured shall prevail." This certification is based on a statutory requirement that "the text that is most beneficial shall prevail." See Article 11.140(2) of the Puerto Rican Insurance Code. This makes sense since the courts in Puerto Rico operate on a dual language basis, English and Spanish.

In Texas, and a few other states, if a company wishes to use a translation, it files the translation with the Department on an informational basis and certifies to its accuracy. *No statement is required as to which version would prevail if there is a discrepancy between the two.*

The remaining states do not have requirements for translations.

Translations are expensive, and many companies do not provide them for this reason outside of Puerto Rico. For those that do, some address the event of a discrepancy and some do not. Those that address it include a statement that in the case of a discrepancy, the filed and approved English contract that has been issued will prevail. Those that do not address the event of a discrepancy rely on the courts to resolve if and when necessary to do so.

It appears that the IIPRC has chosen to make the "exception to the rule" the Rule. In doing so, the IIPRC may believe that it is "raising the bar", but it may very likely discourage the use of translations outside of Puerto Rico, if not end them completely. What started out as an accommodation to some consumers may now become a risk that companies may choose not to assume.

It should be noted that the IIPRC is inappropriately attempting to change state contract law.

We believe that the issue of controlling language should be left to the legislature – as it was in Puerto Rico – and/or to the courts, and is beyond the jurisdiction of the IIPRC. By adopting Section 102(d), you will have undermined the care you took in the Purpose section to respect state law with regard to foreign language contract language

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