

**SUMMARY OF THE PRODUCT STANDARDS COMMITTEE RESPONSE TO COMMENTS
REGARDING THE ADDITIONAL STANDARDS FOR RETURN OF PREMIUM FOR INDIVIDUAL
DISABILITY INCOME INSURANCE POLICIES CURRENTLY BEING CONSIDERED BY THE
MANAGEMENT COMMITTEE**

	Standards Provision	Comment	Product Standards Committee (PSC) Response to Comments
1.	Technical edits throughout the document	The Utah Insurance Department suggested several technical edits for consistency with other Uniform Standards.	The PSC agreed to all suggested technical edits.
2.	GENERAL FORM REQUIREMENTS SPECIFICATIONS PAGE § 2.B(3)	The Utah Insurance Department suggested simplifying the schedule showing the percentage of premium returned at each policy year by eliminating the formula and providing a clearer explanation. The Department also suggested added a drafting note to §2.B(3)(e) to clarify that the full return of premium benefit, not 100% of all paid premiums, be available no later than maturity or maximum age.	<p>The PSC recommends the following clarifying changes to §2.B(3):</p> <p>(c) If the percentages will be applied to premiums paid to date, rather than premiums projected to maturity, the above calculation shall be adjusted by (A)/(B), where (A) is the duration at maturity, and (B) is the duration corresponding to the above unadjusted percentages; The schedule may present the benefit as a percentage of premium paid to date or percent of all premiums projected to maturity, provided that the resulting dollar amounts would be equivalent;</p> <p><u>(d) The schedule should clearly label whether the percentage shown applies to premiums paid to date or all premiums projected to maturity;</u></p>

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			<p>(e) The benefit shall be 100% of the return of premium benefit at no later than maturity or maximum age; and</p> <p><u>Drafting Note: This does not require that 100% of premium be returned at maturity or maximum age. It requires the full benefit be available no later than maturity or maximum age.</u></p>
3.	BENEFIT PROVISIONS: BENEFIT § 3.A(7)	The Utah Insurance Department suggested adding a drafting note to clarify the circumstances where the insurer can deduct previously paid return of premium benefits from a disability claim.	<p>The PSC recommends the following clarifying drafting note following §3.A(7):</p> <p><u>Drafting Note: This provision addresses situations where an owner may receive return of premium benefits without deduction of any paid disability benefits, but later submits a claim for disability benefits for the same period. In such a case, the form should note whether the insurance company may reduce benefits due to the previously paid return of premium benefit.</u></p>
4.	BENEFIT PROVISIONS: TERMINATIONS § 3.C(1)	The Utah Insurance Department suggested adding language to clarify that additional rider premiums need to stop when the return of premium benefit terminates.	<p>The PSC recommends the following clarifying revision to § 3.C(1):</p> <p>(1) The form shall provide the return of premium benefit terminates, <u>and premiums for return of benefit rider stop,</u> when the claims paid under the policy exceed the amount of the total premium that would be paid over the life of the policy.</p>