

Supplemental Health, DI & LTC Conference

**What's New: Disability
Income Regulatory
Refresh**



ENGAGE

EVOLVE

ELEVATE

2023



Susan Coronel

Executive Director, Product Policy
AHIP



Karen Schutter

Executive Director
Interstate Insurance Compact

Disability Income & Compact Standards



- Individual Disability Income Standards
- Group Disability Income Standards
- Individual Disability Business Overhead Expense
- Individual Disability Income Key Person ***NEW***
- Individual Disability Income Buy Sell ***NEW***

Compact Filing Statistics



238
INSURERS
REGISTERED
YTD
277 IN 2022

993
PRODUCTS
FILED IN
2022

44 STATES
PER FILING
MEDIAN 2022
& YTD

27 REVIEW
DAYS
TURNAROUND
TIME ACROSS
ALL TOIS IN
2022

MORE THAN
143
EXPEDITED
FILINGS
REVIEWED IN
2022

38,980 FORMS*
SUBMITTED
SINCE 2007

*AS OF JANUARY, 2023

On average, receive 20 IDI and 10 GDI filing per year + applications



Compact Review Team



INDIVIDUAL LIFE

Joe Bonfitto
Mindy Bradford
Edward Charbonnier
Karen Givens
Aimee Lawson

INDIVIDUAL ANNUITIES

Joe Bonfitto
Karen Givens
Aimee Lawson

INDIVIDUAL DISABILITY INCOME

Mindy Bradford

LONG-TERM CARE

Edward Charbonnier
Aimee Lawson

GROUP LIFE

Edward Charbonnier

GROUP ANNUITIES

Karen Givens

GROUP DISABILITY INCOME

Edward Charbonnier

EXPEDITED REVIEW

Karen Givens
Aimee Lawson

ACTUARIAL REVIEW

Katie Campbell, Naomi Kloeppersmith, Kent Holbrook

Developments in Disability Income



- Two new IDI Standards effective July 10th
- GDI Standards awaiting 5-year review
- Expanding GDI for non-employer groups in 2024
- Seeking approval for new standalone AD&D standard

New Compact Website



- Launched redesigned website February 2023
- Searchability of Record and Docket
- Enhanced navigability
- ***NEW*** Committee pages
- ***NEW*** Webinar Recordings


Compact Homepage



Standards Regulator Resources Industry Resources Committees Consumer Resources News & Events About 


INTERSTATE INSURANCE COMPACT

A transformative state-based collaboration of regulators and legislators to streamline product approval requirements and processes across the Compacting States.



COMMISSIONERS & STAFF


View relevant documents for Commissioners and staff.

[View Details](#) 



COMPANY FILERS


View relevant documents for company filers.

[View Details](#) 



COMMITTEES

View relevant documents for committee work.

[View Details](#) 

DOCKET DEVELOPING STANDARDS

Review Items Open for Comment, including Rulemaking, Advance Rulemaking, Five-Year Reviews, and the Annual Prioritization of Uniform Standards, [here](#).

[Review the Docket](#)

RECORD ADOPTED STANDARDS

Review Commission-adopted Uniform Standards, Operating Procedures, Compact Bylaws and rulemaking documents [here](#).

[Review the Record](#)

www.insurancecompact.org

- Organized by audience type
 - **Commissioners & Staff**
 - **Company Filers**
 - **Committees**
- Links to **Docket Developing Standards and Record Adopted Standards**



Compact Homepage



EVENTS

May 2, 2023

Product Standards Committee
Regulator-Only Call

Product Standards Committee

Read More →

May 3, 2023

Mix and Match webinar - Open to All

Webinars

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May 4, 2023

Best Practices: Form Schedule
webinar - Industry-Focused

Webinars

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MEMBER STATES

The Interstate Insurance Product Regulation Commission serves insurance regulators, consumers, and insurers by improving the efficiency and effectiveness in the ever-changing insurance marketplace.

Select your State



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- Upcoming Events
- Member States Drop Down Menu
 - Current Member
 - Enactment of Compact legislation
 - Effective date of membership
 - Citation



Compact Homepage



COMMITTEE WORK IN PROGRESS


<p>Committees</p> <p>Audit Committee Work is in progress</p> <p>View Details</p>	<p>Committees</p> <p>Commission Officers and Management Committee Work is in progress</p> <p>View Details</p>	<p>Committees</p> <p>Finance Committee Work is in progress</p> <p>View Details</p>
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NEWS

<p>Notice of June 30th Deadline for Annual Identification of Uniform Standards Development for 2024</p> <p>Apr 18, 2023 View Article</p>	<p>North Dakota Enacts Legislation to Join the Insurance Compact</p> <p>Apr 10, 2023 View Article</p>	<p>Guaranteed Benefit Base Calculation for Guaranteed Living Benefits</p> <p>Apr 5, 2023 View Article</p>
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[View All News](#)


ABOUT THE COMPACT



The Insurance Compact enhances the efficiency and effectiveness of the way insurance products are filed, reviewed, and approved allowing consumers to have faster access to competitive insurance product.

[More About Us](#)

FAQ



Read the most frequently asked questions the Compact receives, and learn more about what an interstate compact is, the reasons and how we keep our work current.

[Get the Answers](#)

www.insurancecompact.org

- **Committee Work in Progress**
- **News**
 - News and Weekly Tips located here
- **Link to About**
- **Annual Reports, Budgets, Meeting Minutes, Product Filing Statistics**
- **Links to FAQs**



Following the Work of the PSC

<https://www.insurancecompact.org/committees/product-standards-committee>



- Meeting Materials tab
 - Upcoming meetings
 - Date
 - Time
 - Call registration
 - Agenda
 - Past meetings – meetings from the past month
 - Note: past meetings can also be found on the Events page

Exposure Drafts Tab



Meeting Materials

Exposure Drafts

Documents

Under PSC ILVA Standard Subgroup Review

Draft Index Linked Variable Annuity (ILVA) Uniform Standard

May 8, 2023 Draft

Comments Received

- IRI Comments dated May 5, 2023
- ACLI and CAI Comments dated May 5, 2023
- AAA comments dated May 5, 2023

- Draft documents committees are actively working on can now be found here
- Uniform Standards and Operating Procedures on Docket have been recommended to Management Committee

Industry Resources — Landing Page



RESOURCES FOR NEW FILERS



Find more information on First Time Filers Checklist, Annual Registration Fee Filing Instructions, Top 10 Filing Considerations, System for Electronic Rate and Form Filing (SERFF), and SERFF Filing Access.

[View Resources](#)

CREATING A COMPACT FILING



Find more information on Pre-Filing Communication Form, Creating a Compact Filing, Associated Filings, How to Add a State, Best Practices Checklist, Name Change Checklist, Logo Change Checklist, Foreign Language Translation Checklist, and Long-Term Care Advertising Submission Process.

[View Info](#)

STATE-SPECIFIC INFORMATION



Find state-specific information: State Contact Information, Uniform Standards Participation, including LTC and Individual & Group DI, Accelerated Death Benefit Written Statement Requirement Information, and Model 805 Adoption as reported by IC Member States.

[Learn More](#)

FILING REFERENCE MATERIALS



Find more information about Step-by-Step Instructions for Statement of Intent (SOI) Completion, Preformatted SOI Excel Spreadsheet, and Statement of Intent Certification Form.

[View Materials](#)

EXPEDITED REVIEW PROCESS



Find more information about Expedited Review Process Overview, Expedited Review Instructions, Expedited Review Timeline, Expedited Review Process FAQ, and Current Expedited Review Queue.

[View the Process](#)

FILING FEES



Find more information about 2022 Compact Filing Fee Schedule, Advance Filing Fee Calculation Service Directions, Uniform Standards without Actuarial Review, Member State Filing Fees, and Member State Supporting Documentation Update Fees.

[Learn More](#)

WEBINAR RECORDINGS



Listen to industry-focused webinar recordings on demand.

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CONTACT US



Find answers to your questions by contacting us, [asking the Compact Help Desk](#), or [asking a Pre-Filing Question](#).

[Compact Help Desk](#)

FILING INFORMATION NOTICE (FINS)



Filing Information Notice (FINS) are documents issued by the Insurance Compact Office to provide guidance, instruction, and best practices in order to facilitate the submission of compliant product filings to the Insurance Compact.

[Learn More](#)

MIX AND MATCH



Find more information about Step-by-Step Instructions for Statement of Intent (SOI) Completion, Preformatted SOI Excel Spreadsheet, and Statement of Intent Certification Form.

[Learn More](#)



Weekly Tips

https://www.insurancecompact.org/news-events/news



Standards

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NEWS & EVENTS

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NEWS

News Type

Weekly Tips

- Any -

News

Weekly Tips

Apply

Guaranteed Benefit Base Calculation
for Guaranteed Living Benefits

Apr 5, 2023

View Article →

Preparing for the Suicide Exclusion
Period Amendments to take effect
October 3rd – New Issues of Approved
Products

Mar 10, 2023

View Article →

- Published to the website on a weekly basis
- Search results are chronological
- Filing tips and tricks for all product lines



Uniform Standards – Landing Page

RULEMAKING THROUGH ADOPTION - DEVELOPMENT OF UNIFORM STANDARDS & OPERATING PROCEDURES



Are you looking for more information about what the Compact is working on or has adopted? The Docket Developing Standards is the place to go to find the Uniform Standards, Operating Procedures, and other documents moving through the rulemaking process, ones published for public comment by the Management Committee or Commission. The Record Adopted Standards is the place to go to find Uniform Standards and Operating Procedures adopted by the Commission, including applicable amendments and development history materials. A [list of all adopted Uniform Standards](#) on the Record is also available.

View the Docket Developing Standards

View the Record Adopted Standards

View the Uniform Standards Development Guidelines



Record Adopted Standards



[Home](#) | [Standards](#) | Record Adopted Standards

RECORD ADOPTED STANDARDS

Record Type

Uniform Standards - Individual



Product Type

Disability Income



Filing Type

- Any -



Keywords

Apply

Individual Disability Income Insurance
Application Standards

Citation #: IIPRC-DI-I-H11-APP

Effective Date: 11/19/2018

[View Details](#)

Standards for Individual Disability
Income Insurance Outline of Coverage

Citation #: IIPRC-DI-I-H11-OC

Effective Date: 11/19/2018

[View Details](#)

Additional Standards for Return of
Premium for Individual Disability
Income Insurance Policies

Citation #: IIPRC-DI-I-H11-ROP

Effective Date: 01/14/2020

[View Details](#)

North Dakota Joins Compact



- Newest Compacting member state
- 47 Compacting member states
- Filers can add ND to Compact filings on August 16
- Opted out of LTC
- Requires compliance with 1-year suicide exclusion period

Change to Suicide Exclusion Period for Life



- Life Uniform Standards amended suicide exclusion period at end of 2022
- To address specific conflict between state statutes with respect to length of the suicide exclusion period
- The amendment language “..2 years or any shorter period as may be required by applicable law in the state where the policy is delivered or issued for delivery”.

Change to Suicide Exclusion Period for Life



- Effective for new product submissions on 4/3/23
- Applies to new issues of previously-approved products as of 10/3/23
- FIN 2023-1 provides filing guidance how to demonstrate compliance with amendments
- Affects all individual life and group term life uniform standards



- Group Whole Life Insurance Product Line for Employer Groups (rulemaking process begins in August, expected to adopt in December, if so, effective for filing at end of March 2024)
- Individual Indexed-Linked Variable Annuities (drafting ongoing by subgroup expected to be in rulemaking process in December, expected to adopt in April and effective for filing in July 2024)



- Amending Group Standards to Accommodate Use by Non-Employer Groups
- Subgroup will be work on standards with estimated start date:
 - Group Term Life (Aug 2023)
 - Group Whole Life (Nov 2023)
 - Group Disability Income (Feb 2024 – will also conduct 5-year review)
 - Group Annuities (July 2024)

Request for Uniform Standards Development



- Compact has new process for identifying and prioritizing Uniform Standards development
- All requests submitted by June 30th will be prioritized for coming year
- Items of interest currently under consideration:
 - Standalone Accidental Death Benefit Standard
 - Standalone Accidental Death & Dismemberment Standard
 - Value Added Services Standard for Life



- Commission adopted Operating Procedure for the Use of Compact-Approved Products for Non-Employer Groups and a Framework in December 2022
- Working on amending Standards can be used for non-employer groups
- Compact will approve product – it will NOT approve the non-employer group

Non-Employer Group Framework



- Compacting States will continue to approve/permit other than employer groups
- Once filer gets approval for non-employer group from the Compacting State (if applicable), it can issue the Compact-approved group product
- The Compact Office is working with states and companies to document the state process and how it will change and integrate with the Compact filing and review process

Compact Roundtables & More



- Compact Officers have hosted 3 Roundtables with another one scheduled on October 25th in Omaha
- Commissioners, regulators, filing companies, and others together discuss ways to improve the Compact platform and services
- In March, Commission created Adjunct Services Committee to explore non-binding services the Compact can provide States and industry



- ALWAYS use Disability Income TOI even if there are life or other products in form or filing
- Review Filing Information Notices:
 - 2018-1 for Individual Disability Income filings
 - 2016-2 for Group Disability Income filings
- Use the pre-filing communication process to address drafting / process questions
- Check SERFF Filing Access

Advantages for Compact DI filers



- Speed-to-Market – one approval = 40+ state approvals
- Substantial Uniformity – one approved form can be used in all participating states
- Efficiency – prepare, submit, program, deploy one set of forms for all Compacting States
- For group – no extraterritorial forms or provisions for Compacting States as they all participate in the same standard

Contact the Compact

Email Address

Comments@insurancecompact.org

Phone Number

(202) 471-3962

Website

www.insurancecompact.org



What's New in DI Regulations



- What are priority issues for DI insurers?
- Recent DI State Bills
- ERISA Advisory Council Discussions on Long-Term Disability Benefits and Mental Health Disparity
- AHIP Disability Income Insurance Customer Satisfaction

Multiple DI Issues AHIP Monitors



- Ensuring Role for DI Protection in Various Statutory Leave Programs (SSDI, PFL, PFML)
- Enact entire NCOIL PFL Insurance Model Act to expand private disability income protection
- Prohibit or restrict “discretionary clauses”
- Require mental health parity under DI policies
- Restrict underwriting for based on genetic information
- Restrict underwriting based on HIV PrEP use
- Restrict underwriting based on being living organ donor
- Restrict underwriting/pricing based on gender
- Restrict underwriting based on travel to dangerous countries
- Prohibit or limit benefit offsets
- Prohibit or limit pre-existing condition exclusions
- Prohibit or limit subrogation
- Mandating (or extending) DI income payments for specific conditions (e.g., HIV, PTSD, Long COVID, pregnancy)
- Imposing additional administrative requirements
- Imposing new rate review standards
- Imposing new minimum reserve standards
- Create or amend state “temporary DI benefit” programs
- Others

Top Issues For AHIP DI Members



Issues

Prohibit or limit benefit offsets

Ensuring Role for Disability Income Protection in Various Statutory Leave Programs (including SSDI, PFL and PFML Programs/ Proposals)

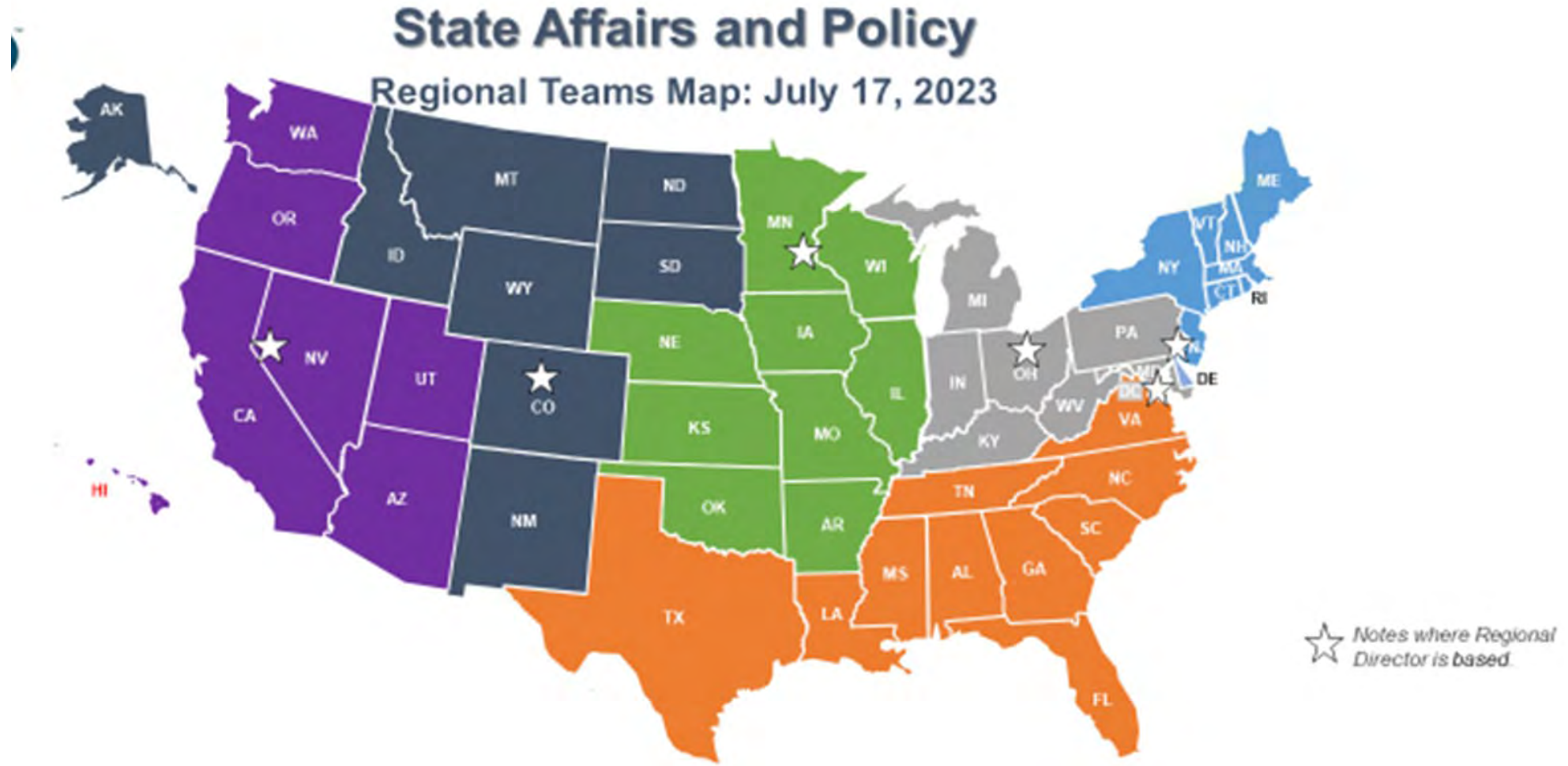
Mandating (or extending) DI income payments for specific conditions (e.g., HIV, PTSD, Long COVID, pregnancy)

Enact entire (or elements of) the NCOIL PFL Insurance Model Act to expand private disability income protection

Require mental health parity under disability income protection policies

Imposing additional administrative requirements/procedures (e.g., changes to filing of policy forms, new disclosure and advertising requirements, policy certifications)

AHIP State Team Map



Recent Selected State Bills – MidAtlantic Region



District of Columbia/B25-130

To amend the Universal Paid Leave Amendment Act to prohibit private DI providers from reducing short term DI benefits based on actual or estimated PL benefits to which an individual may be entitled, regardless of the jurisdiction in which the policy was issued or written; and **to prohibit offsetting or reducing benefits** under a private market ST DI policy based on estimated or actual benefits received under the Universal PL Amendment Act regardless of the jurisdiction in which the policy was issued or written.

Virginia SB 1189

Requires each insurer proposing to issue individual or group accident and sickness insurance policies providing ST DI income protection coverage whose policies provide coverage for **short-term disability arising out of childbirth to provide for 12 weeks** of income protection coverage for a payable benefit of at least 12 weeks immediately following childbirth.

Recent Selected State Bill – Midwest Region



Illinois

The DOI shall collect, among other things, the average premiums for DI insurance for:

- (A) individual short-term (ST) policies that limit mental health and substance use (MH/SU) disorder benefits;
- (B) individual long-term (LT) policies that limit MH/SU benefits;
- (C) group ST policies that limit MH/SU benefits;
- (D) Group LT policies that limit MH/SU disorder benefits;
- (E) Individual ST policies that include MH/SU disorder benefits without limitation;
- (F) individual LT policies that include MH/SU disorder benefits without limitation;
- (G) group ST policies that include MH/SU disorder benefits without limitation;
- and
- (H) group LT policies that include MH/SU disorder benefits without limitation.

The Department shall present its findings regarding information collected under this subsection (j-5) to the General Assembly no later than April 30, 2024.

Recent Selected State Bills – Midwest Region



Michigan	Provides that an insurer shall not do any of the following with respect to a DI policy or certificate based solely on the individual's status as a <i>living donor</i> : deny coverage, cancel coverage, refuse to issue the policy or certificate, determine the price or premium for the policy or certificate, or otherwise vary a term or condition of the policy or certificate.
Pennsylvania <u>HB 1159</u>	Prohibits discriminatory practices against applicants and enrollees under certain insurance policies based on claims or prescriptions involving <i>prophylaxis HIV medication</i> .
Pennsylvania <u>HB 181</u>	Establishes a paid family and medical leave insurance program, to be administered by the Dept. of Labor and Industry and financed by employee payroll premium contributions.

Recent Selected State Bills – Northeast Region



Massachusetts
HD 1658
HB 1088

Provides that a policy covering any MA resident contains a provision that reserves ***discretionary authority*** to the insurer to interpret the terms of the policy, contract, certificate, or agreement, or to provide standards of interpretation or review that are inconsistent with the laws of this state, that provision is void and unenforceable.

Massachusetts
HD 2438
SD 247

Provides that no individual policy of ST or LT DI insurance providing income replacement benefits that is issued or renewed in the Commonwealth shall discriminate against persons disabled due to a ***mental health condition***.

New York
AB 973

NY is in the process of making changes to several sections of statute ([PBH § 4310. New York state donate life registry for organ, eye and tissue donations](#) (public health); [PBH § 4408. Disclosure of information](#) (public health); [ISC § 3221. Group or blanket accident and health insurance policies; standard provisions](#); [ISC § 4306. Required contract provisions](#) (Non-profit medical and dental indemnity or health hospital service corporations); and ISC § 3216- Individual accident and health insurance policy provisions) to enhance awareness of the ***NY Donate Life program*** resulting in potential administrative burden on DI carriers.

Passed House and Senate

Recent Selected State Bills – Northeast Region



New York	Prohibits insurers from <i>reducing disability benefits due</i> to the actual or anticipated receipt of <i>social security disability benefits</i> unless such policy or certificate notifies the insured that the insured may qualify for such benefits, and to pursue such benefits through any required administrative appeals.
New Jersey <u>AB 5504</u>	Prohibits <i>imposition of different premium rates</i> for disability insurance based on race, creed, color, sex, or other protected characteristic.
Rhode Island <u>HB 5489</u>	Prohibits unfair <i>discrimination against organ donors</i> in disability income, life and long-term care insurance.

ERISA Advisory Council Discussions on LT DI Benefits and Mental Health Disparity



- ERISA provides for the establishment of an advisory council on Employee Welfare and Pension Benefit Plans, known as the ERISA Advisory Council.
- The duties of the council are to advise the Secretary and submit recommendations regarding the Secretary's functions under ERISA.
- After due consideration, the council reaches a consensus to focus on issues important to the administration of ERISA, historically two to three issues each year. For each issue, the council defines the issue to investigate, takes testimony from witnesses, and submits a report of findings and recommendations.
- In May 2023, two issues identified by the Council were:
 - **Long-Term Disability Benefits and Mental Health Disparity**
 - Recordkeeping in the Electronic Age

ERISA Advisory Council Discussions on LT DI Benefits and Mental Health Disparity



ISSUE STATEMENT

- The Council will study the scope and impact of employee benefit plans' limitations on disability benefits for mental health and substance use conditions.
- The Council will study the extent, prevalence, rationale and impact of these limitations on disability benefits.
- The Council notes that MHPAEA, which requires parity for coverage of medical/surgical and mental health and substance use conditions, does not apply to LTD plans. However, one state (Vermont), the UK and Canada have mandated mental health parity in disability insurance.
- The work of the Council is intended to assist the Department in determining whether there is a need for measures to address these limitations.

Let's End With Some Good News.....



In April 2023, Global Strategy Group (GSG), on behalf of AHIP, conducted an online survey among 500 disability income (DI) insurance claimants who received income payments within the last 10 years. Key findings included:

- Satisfaction with disability income (DI) insurance plans continues to remain high.
- Claimants are satisfied with the financial benefits they receive from their DI coverage and have positive feelings about their interactions with their insurers.
- By providing income while they were disabled, claimants say that DI insurance gave them peace of mind, provided them with short-term financial security, and ensured they could continue to take care of their family.
- DI insurance protected claimants' long-term financial stability and ensured they would not have to make damaging financial choices in order to cover their basic living expenses.



Satisfaction is high with all types of disability income (DI) plans

Overall, how would you rate your satisfaction with...

	% Satisfied	2021	2019	2017
Long-term DI through employer	94%	93%	88%	86%
Long-term DI purchased by individuals	93%	97%	93%	89%
Short-term DI through employer	92%	92%	89%	89%
Short-term DI purchased by individuals	92%	-	-	-



Claimants' high satisfaction extends to their interactions with their insurer

Please rate your satisfaction with each of the following (showing % satisfied)





Disability income (DI) insurance claimants value the peace of mind and financial protection their policies provide

Please indicate whether you agree or disagree with each statement:



*This was only asked of those who had purchased long term DI insurance



Without their disability income insurance, most say they would have experienced financial hardship

How likely is it you would have experienced financial hardship without your DI payments?





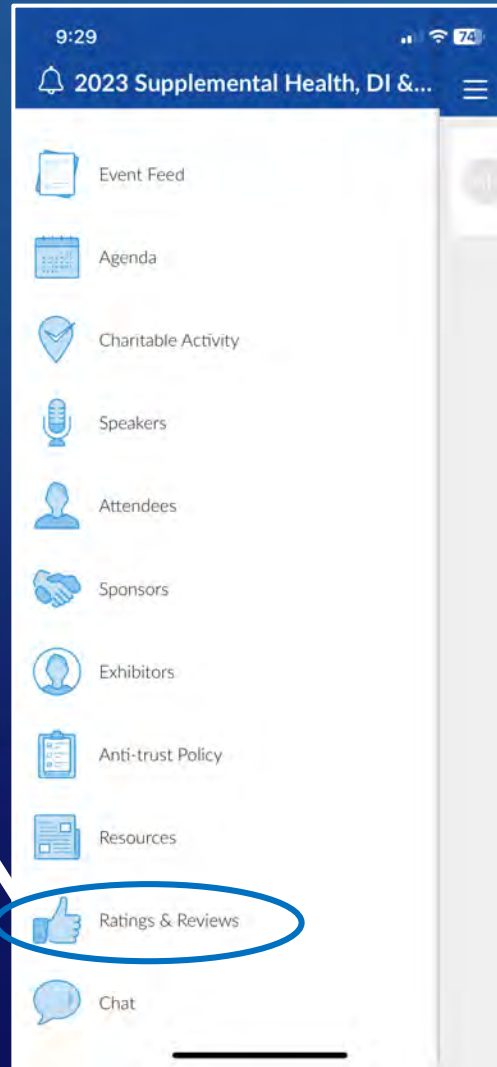
More than ever, claimants agree that disability income (DI) insurance coverage has allowed them to spend more time with, and provide for their families

Please indicate whether you agree or disagree with each statement:

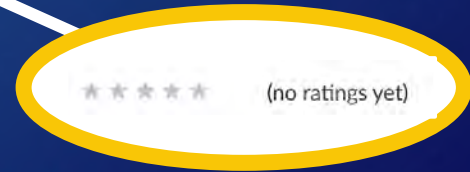
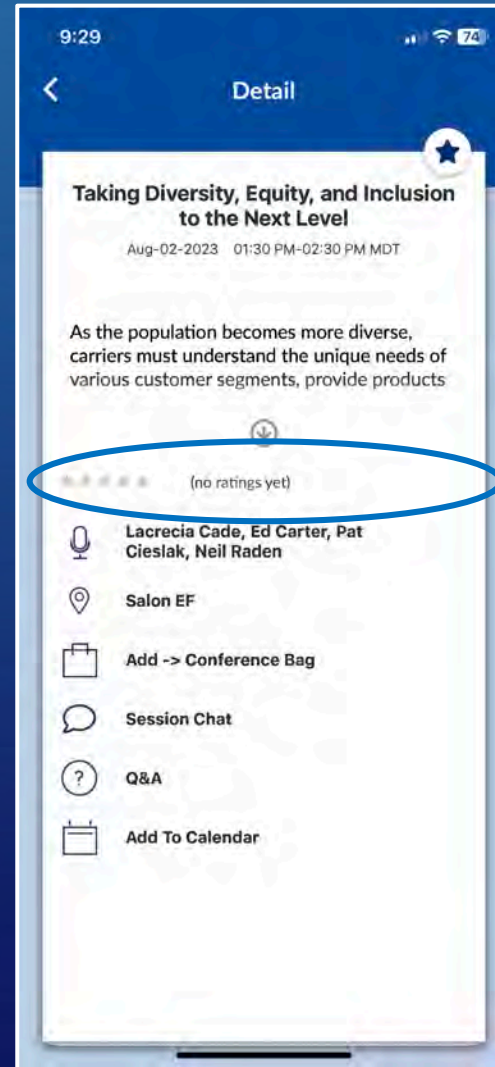


Please Provide Your Feedback on the Conference App

OPTION 1



OPTION 2



Thank You



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2023

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