

**Utah Insurance Department
Content Standards
Group Universal Life & Group Whole Life**

These Standards are provided to assist the insurer in filing forms and rates. They are not intended to be all-inclusive and are a work in progress. References beginning with "31A" refer to the insurance code as part of Utah Code Annotated (U.C.A.) and those beginning with "R590" refer to department rules as part of the Utah Administrative Code (U.A.C.). All references should be reviewed for compliance. As required by U.C.A. § 31A-21-201(2), *the insurer is responsible* for assuring that forms and rates submitted are in compliance with the Utah Insurance Code and Rules.

FILING PROCEDURES		
Filing of Forms	31A-21-201 R590-226-5 R590-226-7	Forms are accepted on a "FILE AND USE" basis. It is the insurer's responsibility that the filing is in compliance with Utah law and rules.
Group Questionnaire	R590-226 Attachment	The questionnaire must be complete describing the particular group with any required attachments. A discretionary group subject to 31A-22-509 must be specifically authorized by the commissioner prior to submitting the forms.
Sample Data	31A-2-202(6) R590-226-5	All filing information and data must be accurate, complete and consistent within all filing documents. The data page must contain amounts consistent with the actuarial memorandum and demonstration of values.
Variability - (bracketed data)	R590-226-6 R590-226-7	Any information that is variable must be bracketed and must be explained in a statement of variability. Any change in the items contained within the brackets must be re-filed prior to use.
GENERAL REQUIREMENTS		
Agency	31A-23a-410	The policyholder is considered an agent for the insurer if the policyholder performs certain functions for the insurer. An example of such functions is collecting premiums.
Amendments or Endorsements	31A-21-106(2)	The contract may not be modified unless the modification is in writing and agreed to by the party against whose interest the modification operates.
Application and Enrollment Form	31A-21-201(3)	The application and enrollment form must identify the insurer's name and address and state of domicile. The individual application or enrollment form must disclose that the individual is applying for group insurance and it must identify the master policyholder. The enrollment form may not contain vague health questions without a time limit. Negative enrollment or negative consent is not allowed.
Arbitration	31A-21-314 R590-122	An arbitration provision must be properly disclosed in the policy, certificate, application and enrollment forms. No provision may deprive Utah courts of jurisdiction over an action against an insurer, except as provided in permissible arbitration provisions.
Assignment	31A-22-412	Subject to the exceptions allowed in the code, the assignment provision must allow the owner of any rights in the contract to assign any of those rights.
Autopsy and Physical Examination	31A-22-417	Autopsy and/or physical examination are at the insurer's expense.
Certificate	31A-21-311	An insurer issuing a group insurance policy must provide a certificate for each member of the insured group. The certificate must contain a summary of the essential features of the coverage including any rights of conversion to an individual policy.
Claims Settlement	31A-26-301(1) R590-191-4	All proceeds and claims settlement provisions must provide for prompt claim handling.
Continuation of Coverage during Total Disability	31A-22-520	An insured person may continue coverage during total disability by timely payment of premium that would have been required and pursuant to conditions allowed by law.
Conversion	31A-22-517	If any portion of the insurance on a covered person ceases, the person is entitled to conversion to an individual

	31A-22-518	life insurance policy, without providing evidence of insurability. The conversion privilege is available to a surviving dependent at the death of the employee or member and to the dependent upon termination of coverage of the dependent. Portability does not satisfy conversion rights.
Cost of Insurance (COI) Rates, Expenses, Surrender Charges, Fees	31A-21-302	The policy must disclose all guaranteed COIs, surrender charges, expenses, fees and all other guaranteed factors. If the COIs, charges, fees and other factors are graded by duration, the schedules must disclose the guaranteed amounts for each duration. A non-illustrated policy and certificate may show only the guaranteed COIs.
Coverage Name, Description & Special Features	31A-22-426	The coverage name or title and a brief description of the coverage must be identified on the policy and certificate cover, such as group flexible premium adjustable life, etc.
Data Page	R590-226-6	The data page must disclose the specific data for the coverage including the benefits, amounts, durations, premium information, and any other benefit data applicable to the insured. All filing data must be consistent with the actuarial memorandum and other filing documents.
Death Benefit	31A-22-408	The policy must clearly describe the death benefit and how the proceeds are determined.
Death Claim Interest	31A-22-428 R590-191-5	Interest on the death proceeds is payable according to the date of issue.
Definitions	31A-21-201(3)	All definitions must be complete and consistent throughout the master policy and certificate.
Deferral of Payment of Values	31A-22-408(2) R590-98	Payment of values must be within 20 days of policyholder's request. The right to defer payment of values for six months <u>with the consent of the commissioner</u> must be in the policy.
Dependent Coverage	31A-22-511	A policy on which no part of the premium for the dependent coverage is contributed by the covered person, must insure all insured persons, including their spouse and dependent children.
Entire Contract Provision	31A-22-424	The contract and certificate must contain an entire contract provision that defines the documents and agreements that constitute the entire contract.
Examination Period	31A-22-423	Subject to the exemptions in 41A-22-423, the certificate must provide an examination period of 10 days for new issues and 30 days for a replacement. A refund of premium is required upon return of the certificate within the examination period.
Grace Period	31A-22-513	Grace period entitles the policyholder to at least a 31-day grace period during which the coverage continues in full force.
Illustration	R590-177-10	If the policy or certificate is illustrated, the policy and certificate must allow for one free illustration per year.
Incontestability	31A-22-514	Incontestability provision states that the policy is incontestable after it has been in force for a period of two years during the lifetime of the insured. The code does not allow an exception for fraud. A survivor policy is incontestable after it has been in force for a period of two years during the lifetime of the surviving insured.
Incorporation by Reference	31A-21-106 Bulletin 96-9	Except as provided in 31A-21-106(1)(b), no policy may contain any agreement or incorporate any provision not fully set forth in the policy.
Individual Insurability	31A-22-512	The policy must contain provisions describing the conditions for eligibility.
Insurable Interest	31A-21-104	Insurable interest must exist on the effective date and at the time of a later procurement of an interest in the proceeds. Policies used in Bank Owned Life Insurance (BOLI) and Corporate Owned Life Insurance (COLI) market must utilize an individual application, enrollment form, or a Notice of Consent form to be signed by the life to be insured. The extent of the employer's insurable interest is limited to an amount commensurate with employer's unfunded liabilities.
Insurer Name	31A-21-201 31A-21-301(1)	The exact name of the insurer, the administrative office address, and state of domicile must be identified conspicuously on the policy.
Jurisdiction	31A-1-105(2) 31A-1-301 Bulletin 87-7	Group contracts of insurance issued to nonresident policyholders (i.e., trusts or associations) and evidenced by certificates of insurance issued to Utah residents are subject to the commissioner's jurisdiction as the business of insurance under 31A-1-301 and 31A-1-105(2). The commissioner presumes by law to have jurisdiction over these activities unless the insurer can establish an exemption from regulation under 31A-1-103.
Limitation of Actions	31A-21-313 31A-21-314	Such provisions may not restrict the right of action against an insurer to no less than 60 days and no more than three years from the date the cause of action accrues. The provision may not deny Utah court jurisdictions.
Loan Interest	31A-22-420	Interest may be fixed or adjustable as required by the rule. Utah does not allow an additional expense charge or fee.
Maturity Date	31A-21-301(1)(f) R590-223	Maturity date must be disclosed. A policy using a 1980 CSO Mortality Table may extend the maturity date beyond age 100 with no cost of insurance charges past the end of the mortality table; the policy must clearly

		define the death benefit beyond age 100.
Misstatement of Age and/or Sex	31A-22-405	Policy must state that if the age and/or sex of the insured is misstated in an application and the error is not adjusted during the person's lifetime, the amount payable is what the premium paid would have purchased at the correct age and/or sex.
Non-Guaranteed Factors	31A-21-201 31A-21-302	The policy must describe the criteria the company follows for adjusting cost of insurance rates, expenses, charges, fees or other nonguaranteed factors if such factors are adjusted.
Notice and Consent	31A-21-104	For corporate owned (COLI) and bank owned (BOLI) life insurance, the insured person must give written consent for the issuance of insurance as required by the law. The Notice and Consent Form must be filed prior to use.
Notice of Termination	31A-22-522	The policy must contain a notice of termination provision that obligates the policyholder to notify each group member in writing 30 days prior to termination of coverage.
Payment of Values	R590-98	A request for payment of values must be processed within the allowable time limit.
Premiums	31A-21-302 31A-21-201(3)	Premiums for the policy and for each rider must be clearly disclosed separately on the data pages. Policy fees and charges must be disclosed separately.
Proof of Loss	31A-21-312 Bulletin 87-6	Proof of loss provision must allow the insured or claimant to file the notice and/or proof of loss as soon as reasonably possible. Failure to file within the time specified does not invalidate a claim if the insured or claimant shows that it was not reasonably possible to file within the time specified and that notice and/or proof was filed as soon as reasonably possible. The provision <u>may not</u> state that in no event, except in the absence of legal capacity, may proof be filed later than the time proof is otherwise required.
Reinstatement	31A-22-407 R590-108	Policy must allow reinstatement within three years of the date of premium default. Policy may require payment of premiums in arrears with interest at a rate not exceeding the rate for policy loans.
Reservation of Discretion	R590-218	Pursuant to Rule R590-218, the use of reservation of discretion clauses in forms that are not associated with ERISA employee benefit plans is prohibited. The rule creates safe harbor language that may be used in ERISA cases when the insurance company is designated as the plan administrator. When filing a policy for use in both ERISA and non-ERISA cases, only one contract needs to be filed; however, the reservation of discretion provision must be contained within brackets [], as a variable item and the cover letter must clearly explain the limited use of the reservation of discretion clause.
Settlement Options	31A-22-406	If the policy provides that proceeds may be payable in installments that are determinable at the issue date of the policy then it shall provide a table showing the amounts and intervals of the installments.
Suicide	31A-22-404	Suicide is allowed as a defense to a claim during the first two years from the date coverage is effective and for the two years after an increase in coverage. The policy must provide for payment of an amount equal to the premium paid on the policy.
Unfair, Misleading, Deceptive Provisions.	31A-21-201(3)(a)	Provisions may not be inequitable, unfairly discriminatory, misleading, deceptive, obscure, unfair, encourage misrepresentation, or not in the public interest. The policy may not contain inconsistent, ambiguous or misleading clauses, or contain exceptions and conditions that unreasonably affect the benefits purported to be provided in the general coverage of the contract.
Values	31A-22-408 31A-22-515	The policy and certificate must contain a detailed description of the calculation of the account value and cash surrender value including the guaranteed minimum rate of interest, cost of insurance rates, surrender charges, charges, and fees. The policy and certificate must identify the mortality table upon which the maximum cost of insurance rates are based. The policy must include a statement that the values and nonforfeiture benefits are in compliance with the laws of the state where the policy is delivered. Certificates issued through a discretionary group must provide values in compliance with the 31A-22-408.
MARKETING and DISCLOSURE FORMS		
Annual Report	R590-177-10	The annual report must be dated and must include the beginning and ending account values and otherwise be in compliance with the rule.
Basic Life Illustration	R590-177	Basic Life Illustration must comply with the requirements of the rule.
Statement of Policy Cost and Benefit Information	R590-79	Statement of Policy Cost and Benefit Information contains ONLY guaranteed items, such as premiums, death benefit and policy values and otherwise complies with the rule.

ACTUARIAL REQUIREMENTS

Actuarial Memorandum, Demonstration, and Certification of Compliance	31A-17 Part 5 31A-22-408 31A-22-515 R590-226-6	Actuarial memorandum, demonstration, and certification of compliance comply with the requirements of applicable laws and rules of Utah.
Illustration Actuary and Company Officer Certification	R590-177 R590-226-6	Illustration actuary and company officer certification must be included in the filing for any illustrated policy.
Secondary Guarantees	R590-198 R590-226-6	A policy that contains secondary guarantees (no-lapse period, guaranteed minimum death benefit, guaranteed minimum income benefit, etc.) then the actuarial memorandum must specifically address reserving methodology pertaining to such guaranteed benefits, including demonstrations, calculations, values, etc.