



Leah J. Walters
Regional Vice President, State Relations

April 30, 2018

Ms. Lisa Larson
Regulations Manager
Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

Via email: insuranceregreview.mia@maryland.gov

RE: COMAR 31.09.16 Accelerated Benefits

Dear Ms. Larson:

The American Council of Life Insurers (ACLI)¹ appreciates the opportunity to comment on the proposed changes to COMAR 31.09.16, Accelerated Benefits (proposed Rule).

ACLI supports the adoption of the proposed Rule and its purpose of implementing the NAIC Accelerated Benefits Model Regulation #620 (NAIC Model). ACLI also supports the Interstate Insurance Product Regulation Commission (IIPRC), of which Maryland is a member. Our comments reflect some differences between the proposed Rule, the NAIC Model and the IIPRC.

Section .03 of the proposed Rule adds new language to define “Chronic Illness.” The NAIC Model does not define “Chronic Illness,” but the IIPRC standards do (IIPRC-L-08-LB-I-AD-3). The proposed Rule definition requires permanence while the IIPRC standards do not. Policyholders benefit when they have the option to accelerate even when the chronic illness is not permanent in nature.

ACLI respectfully recommends that the definition of “Chronic Illness” be amended to track the definition as provided for in the IIPRC standards.

Section .07(C)(2) appears to be missing subsection (c) of the NAIC Model regarding group insurance policies. For uniformity purposes, the ACLI respectfully requests that language similar to .07(C)(1)(d) be added as a new subsection (c).

¹ The American Council of Life Insurers (ACLI) advocates on behalf of approximately 290 member companies dedicated to providing products and services that contribute to consumers’ financial and retirement security. ACLI members represent 95 percent of industry assets, 93 percent of life insurance premiums, and 98 percent of annuity considerations in the United States. 75 million families depend on our members’ life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance products. Taking into account additional products including dental, vision and other supplemental benefits, ACLI members provide financial protections to 90 million American families. Learn more at www.acli.com.

And lastly, while Section .07(D)(3) is consistent with the NAIC Model and IIRPC standards, member companies have worked with the IIRPC so the requirement is not triggered until the benefit pool is exhausted. If possible, ACLI respectfully recommends amending this section so that it is consistent with IIRPC practice. This will help companies avoid the burdensome requirement of changing their systems to endorse the policy every time benefits are accelerated (assuming the company does not file via the IIRPC).

Thank you for the opportunity to comment and please let me know if you have any questions regarding our comments

Sincerely,

signature on original

Leah J. Walters