

## **GROUP TERM LIFE INSURANCE STANDARDS FOR ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS**

**Scope:** These standards apply to Accidental death and Dismemberment benefits that are built into group term life insurance certificates (“certificate(s)”) or added to such certificates by rider, endorsement or amendment. These standards accommodate accidental death and dismemberment benefits for Employees and Dependents, referred to in these standards as “Covered Person(s)”.

These standards shall not apply to accidental death only benefits.

These standards shall not apply to Accidental death and Dismemberment only policies since such benefit constitutes health insurance and cannot be filed with the Interstate Insurance Product Regulation Commission. Additionally, these standards shall not apply to Accidental Dismemberment benefits that constitute health insurance.

As used in these standards, the following definitions apply:

“Loss” or “Losses” means an accidental death or dismemberment.

“Dismemberment” includes any loss described in Items 3, 4 and 5 of the Benefits Provisions of these standards.

Terms in these standards that are initially capped have the meanings specified in these standards and in the Interstate Insurance Product Regulation Commission standards applicable for group term life insurance policies and certificates.

### ADDITIONAL SUBMISSION REQUIREMENTS

The following additional filing submission requirement shall apply:

- (1) If the Accidental death and Dismemberment benefit is filed as an attachment to a certificate and the certificate is not included in the submission, include a statement of whether the Accidental death and Dismemberment benefit is intended for use with new issues and/or in force business.

### ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT PROVISIONS

#### BENEFITS

- (1) The provisions shall describe the conditions that shall be met to be eligible for the Accidental death and Dismemberment benefit. The conditions shall comply with the following:
  - (a) If Loss has to occur within a specified time period after the Injury occurs, the provisions shall also disclose the time period, but shall not be more restrictive than requiring the Loss to occur within 180 days following the date of the Accidental Injury; and

- (b) The provisions may require that Loss be caused by an Accident but such requirement shall be without regard to the means of the Accident. The terms “Accident”, “Accidental”, “Accidental Injury”, “Accidental Bodily Injury, or “Accidental Means” shall be defined to employ “result” language and shall not include words which establish an Accidental Means test. The definition of “Injury” may not be more restrictive than “Injury means an Accidental Bodily Injury sustained by a Covered Person which is a direct result of an Accident, independent of disease or bodily or mental illness or infirmity or any other cause, and which occurs while the insurance benefit is in force”.
- (2) The provisions may include a presumption of death provision which states that a Covered Person shall be presumed to have died as a result of Accidental Injury if the aircraft or other vehicle in which the Covered Person was traveling disappears, sinks or is wrecked, and the body of the Covered Person is not found for a specified number of years from the date the aircraft or other vehicle was scheduled to arrive at its destination, or the Covered Person is reported missing to the authorities.
- (3) The provisions shall include Accidental Dismemberment benefits for loss of a hand, foot, arm, and leg. The provisions shall include the conditions that shall be met to be eligible for each of these benefits and describe or define the Loss. The descriptions and definitions may not be more restrictive than:
  - (a) Loss of a hand permanently severed at or above the wrist but below the elbow or loss of thumb and index finger of the same hand where the thumb and index finger are permanently severed through or above the third joint from the tip of the index finger and the second joint from the tip of the thumb;
  - (b) Loss of a foot permanently severed at or above the ankle but below the knee;
  - (c) Loss of arm permanently severed at or above the elbow; and
  - (d) Loss of a leg permanently severed at or above the knee.
- (4) The provisions may also include any of the following Losses: paralysis, brain damage, coma, third degree burns, or loss of sight, hearing or speech. The provisions shall include the conditions that shall be met to be eligible for each of these benefits and describe or define the Loss. The descriptions and definitions may not be more restrictive than:
  - (a) Paralysis means total and permanent impairment of voluntary movement and sensory function of a limb without severance; a physician must determine the paralysis to be permanent, complete and irreversible;
  - (b) Brain damage means permanent and irreversible physical damage to the brain causing the complete inability to perform all of the substantial and material duties of everyday life, and such damage shall continue for a specified period of time, not to exceed 180 days, following the date of Loss;

- (c) Coma means a state of deep and total unconsciousness from which the comatose person cannot be aroused, and the state shall continue for a specified period of time, not to exceed 180 days, following the date of Loss;
  - (d) Loss of sight means permanent and uncorrectable loss of sight in the eye that continues for a specified period, not to exceed 180 days following the date of Loss; the visual acuity shall be 20/200 or worse in the eye or the field of vision must be less than 20 degrees;
  - (e) Loss of speech means the entire and irrecoverable loss of speech that continues for a specified period of time, not to exceed 180 days, following the date of Loss;
  - (f) Loss of hearing means the entire and irrecoverable loss of hearing in both ears that continues for a specified period of time, not to exceed 180 days, following the date of Loss;
- (5) The provisions may also include the following additional benefits:
- (a) ***Air bag use benefit.*** In the event an Employee and/or Dependent suffers a covered Loss (typically loss of life) while the Employee or Dependent is driving or riding in a passenger car equipped with an air bag for the Employee's or Dependent's seat, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or as a percentage of the amount payable for Loss of life under the certificate.
  - (b) ***Carjacking benefit.*** In the event an Employee and/or Dependent suffers a Loss as a result of carjacking of an automobile in which the Employee or Dependent is riding, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount or as a percentage of the amount payable for the covered Loss under the certificate.
  - (c) ***Child care benefit.*** In the event an Employee and/or Spouse suffers a covered Loss (typically loss of life) and has Child(ren) under a specified age, such as 13, this benefit pays an additional benefit for child care provided by a licensed child care provider. Enrollment for such benefit is required within a specified period of time after the Loss occurs, such as 31 days. The benefit period may be capped, and overall minimums and maximums per Child may also apply.  
  
In lieu of ending this additional benefit on the date Child(ren) are no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the benefit payable for a covered Loss under the certificate.
  - (d) ***Child education benefit.*** In the event an Employee and/or Spouse suffers a covered Loss (typically loss of life) and has Child(ren) under a specified age or level of education, this benefit pays an additional benefit for tuition expenses incurred for the Child(ren) beyond high school, usually at an accredited college, university or vocational school. The benefit requires current enrollment or enrollment within a specified period of time after the Loss occurs, such as 31 days. The benefit period may be capped, and overall minimums and maximums per Child per academic year may also apply.

In lieu of ending this additional benefit on the date Child(ren) are no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the benefit payable for a covered Loss under the certificate.

- (e) ***Child Loss Benefit:*** In the event an Employee's Child suffers a Loss, other than Loss of life, as a result of an Accidental Injury, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or as a percentage of the amount payable for the covered Loss under the certificate. This benefit may not be payable if the Child dies within a specified period of time after the Accidental Injury occurred.
- (f) ***Common carrier benefit.*** In the event the Employee and/or Dependent suffers a covered Loss (typically Loss of life) while being transported as a fare paying passenger in a public conveyance ("common carrier"), or as a result of being struck by a common carrier, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount or as a percentage of the amount payable for Loss of life under the certificate.
- (g) ***Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation benefit.*** In the event an Employee suffers a covered Loss (typically loss of life) and the Employee's Dependent continues medical insurance as a COBRA continuation, this benefit pays an amount generally equal to the premiums due for such continuation. The benefit may be subject to annual and overall minimums and maximums, and limited to a maximum benefit period.

In lieu of ending this additional benefit on the date all Dependents are no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the benefit payable for a covered Loss under the certificate.

- (h) ***Critical burn benefit:*** In the event an Employee, while working for the Policyholder, suffers critical burns that result in permanent disfigurement, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or as a percentage of the amount payable for the Loss under the certificate. This benefit may not be payable if the Employee receives the additional benefits for total disability or total and permanent disability under the certificate.
- (i) ***Emergency or disaster response team member benefit:*** In the event an Employee suffers a Loss as a result of an Accidental Injury occurring while the Employee is working for the Policyholder and participating as a member of an emergency or disaster response team, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount or as a percentage of the amount payable for the covered Loss under the certificate.

- (j) ***Family relocation and accompaniment benefit:*** In the event a Spouse or Child suffers a Loss as a result of an Accidental Injury while accompanying the Employee on a business trip, or while travelling with the Employee for relocation purposes, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or as a multiple of the amount that would be payable for the Loss under the certificate, and the multiple may differ for the Spouse and Child.

In lieu of ending this additional benefit on the date a Spouse or Child(ren) are no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the benefit payable for a covered Loss under the certificate.

- (k) ***Funeral expense benefit*** In the event an Employee and/or Dependent dies as a result of an Accidental Injury for which a death benefit is payable under the certificate, this benefit pays an additional benefit for the funeral expenses. The benefit may be stated as a flat dollar amount or as a percentage of the amount that would be payable for the Loss under the certificate.
- (l) ***Hospital confinement benefit.*** In the event an Employee and/or Dependent is confined in a hospital as a result of an Accidental Injury, this benefit pays an additional benefit for as long as the Employee or Dependent remains confined. The benefit may or may not require that the Accidental Injury be a covered Loss for which benefits are payable under the certificate. The benefit may be stated as a flat dollar amount, a monthly benefit or a percentage of the amount payable for Loss of life under the certificate. The benefit may be subject to a duration maximum.

**NOTE: If the daily confinement benefit exceeds state parameters, the benefit may be subject to compliance with state accident and health requirements.**

- (m) ***Human Immunodeficiency Virus (HIV) and/or Hepatitis Virus benefit.*** In the event an Employee contracts the HIV or Hepatitis Virus as a result of sustaining an Accidental Injury while performing the Employee's job, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount a monthly benefit or a percentage of the amount payable for Loss of life under the certificate. A Workers' Compensation report may be required, as well as blood tests within certain time parameters.
- (n) ***Job-related injury benefit.*** In the event an Employee suffers a covered Loss (typically loss of life) as a result of a job-related Accidental Injury, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or a percentage of the amount payable for Loss of life under the certificate or as a specific amount for a covered Loss suffered by the Employee.
- (o) ***Medical evacuation expense benefit.*** In the event an Employee and/or Dependent suffer a Loss as a result of an Accidental Injury requiring medical evacuation and the Employee or Dependent is beyond a specified distance from the Employee's or Dependent's primary residence, this benefit pays an additional benefit for charges incurred for the transportation and medical care of the Employee or Dependent. The benefit may be stated

as a flat dollar amount or as a percentage of the amount payable for the covered Loss under the certificate.

- (p) ***Medical expense benefit.*** In the event an Employee and/or Dependent seeks medical treatment within 24 hours of an Accidental Injury and incurs medical expenses within a specified time period, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount or as a percentage of the amount payable for the covered Loss under the certificate.

**NOTE: If the benefit exceeds state parameters, the benefit may be subject to compliance with state accident and health requirements.**

- (q) ***Monthly house mortgage payment benefit.*** In the event an Employee dies as a result of an Accidental Injury for which a benefit is payable under the certificate, and the Employee is survived by a Spouse who is a co-borrower on a mortgage, this benefit pays an additional monthly benefit if there is an outstanding balance on the mortgage. The benefit may be stated as a number of monthly mortgage payments due, capped by a specified maximum amount. The benefit ends at the earliest to occur: when the maximum benefit is paid, when the mortgage is paid in full, the Spouse dies, or the house is sold.
- (r) ***Non occupational vehicle accident benefit:*** In the event an Employee and/or Dependent suffers a Loss of life while either is driving or riding in an automobile not being used for commercial or occupational purposes, or while a passenger in a public vehicle (such as a taxi, bus limousine, etc.), this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount or as a percentage of the amount payable for Loss of life under the certificate.
- (s) ***Parental care benefits.*** In the event an Employee and/or Dependent dies as a result of an Accidental Injury for which a benefit is payable under the certificate and the Employee or Dependent is survived by one or more relatives (typically a parent, grandparent, or parent/grandparent in-law) who were dependent upon the deceased for support, this benefit pays an additional benefit. Support requirements can vary to include deductibility for federal income tax purposes, payment of nursing home, home health care or day care expenses, etc. The benefit amount may be stated as a flat dollar amount or as a percentage of the amount payable for Loss of life under the certificate, and may be paid on a periodic basis or in a single sum.

In lieu of ending this additional benefit on the date all Dependents are no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the benefit payable for a covered Loss under the certificate.

- (t) ***Rehabilitative physical therapy benefits.*** In the event an Employee and/or Dependent suffers a covered Loss and rehabilitative physical therapy is prescribed to treat a physical condition related to the Accidental Injury, this benefit pays an additional benefit. The amount of the benefit may be limited to the charges incurred, or may be stated as a flat dollar amount, a monthly benefit or a percentage of the amount payable for Loss of life

under the certificate or the amount payable for the specific covered Loss suffered by the Employee or Dependent.

- (u) ***Repatriation expense benefit.*** In the event an Employee and/or Dependent dies as a result of an Accidental Injury for which a benefit is payable for Loss of life under the certificate and the death occurs beyond a specified distance from the deceased's primary residence, this benefit pays an additional benefit for charges incurred for the preparation and transportation of the body to the deceased's city of residence. The benefit pays for the charges incurred and is typically subject to an overall maximum amount.
- (v) ***Residence or vehicle modification benefit.*** In the event an Employee and/or Dependent suffers a covered Loss that requires a permanent modification of their primary residence or primary vehicle, this benefit pays an additional benefit. The benefit generally reimburses the costs incurred to modify the primary residence and/or primary vehicle. The benefit may be stated as a flat dollar amount, as a percentage of the amount payable for Loss of life under the certificate, as a percentage of the amount paid for the specific covered Loss suffered by the Employee or Dependent, or as an amount tied directly to the costs of the modification(s).
- (w) ***Seat belt use benefit.*** In the event an Employee and/or Dependent suffers a covered Loss (typically loss of life) while the Employee or Dependent is driving or riding in a passenger car equipped with seat belts and the person(s) suffering the Loss was wearing a seat belt, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or a percentage of the amount payable for Loss of life under the certificate.
- (x) ***Spouse education benefit.*** In the event an Employee suffers a covered Loss (typically loss of life) and has a Spouse who is enrolled at the time of the Loss in an accredited college, university or vocational school, or the Spouse so enrolls within a specified period of time after the Loss occurs, this benefit pays an additional benefit for tuition expenses incurred by the Spouse. The benefit period may be capped, and overall minimums and maximums per academic year may also apply.

In lieu of ending this additional benefit on the date a Spouse is no longer eligible for such benefit, the insurance company will pay to the beneficiary a specified minimum benefit amount, such as \$500 or \$1,000, in addition to the benefit payable for a covered Loss under the certificate.

- (y) ***Spouse's Loss of life as a result of a common Accident.*** In the event an Employee and Spouse die as result of an Accidental Injury sustained in the same Accident or in separate Accidents that occur within a specified period of time of each other, such as 24-48 hours, and there are surviving Child(ren), this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or as a percentage of the amount payable for the Spouse Loss of life under the certificate.

- (z) ***Therapeutic counseling benefits.*** In the event an Employee and/or Dependent suffers a covered Loss and therapeutic counseling is prescribed to treat an emotional or psychological condition related to the Accidental Injury, this benefit pays an additional benefit. Typically the therapy must be prescribed and provided within a specified period of time. The benefit may be extended to cover therapeutic counseling for persons other than the Employee or Dependent, such as a parent. The amount of the benefit may be limited to the charges incurred, or may be stated as a flat dollar amount, a monthly benefit or a percentage of the amount payable for Loss of life under the certificate or the amount payable for the specific covered Loss suffered by the Employee or Dependent. The benefit is typically also subject to an overall maximum amount.
- (aa) ***Total disability benefit:*** In the event an Employee and/or Spouse becomes totally disabled as a result of an Accidental Injury for which benefits would be payable under the certificate, this benefit pays an additional benefit. The Employee and/or Spouse must be under a specified age at the onset of the total disability and must remain so disabled for a specified period after the Accidental Injury. The benefit may be stated as a flat dollar amount, or as a percentage of the amount payable for the covered Loss under the certificate up to a specified number of months. This benefit is not payable if the Employee or Spouse receives additional benefits under the certificate for total and permanent disability, is no longer totally disabled, attains a specified age or fails to provide required Proof of Loss.
- (bb) ***Total and Permanent Disability benefit:*** In the event an Employee and/or Spouse becomes totally and permanently disabled as a result of an Accidental Injury for which benefits would be payable under the certificate, this benefit pays an additional benefit. The Employee or Spouse must be under a specified age at the onset of the total and permanent disability and must remain so for a specified period after the Accidental Injury. The benefit may be stated as a flat dollar amount, or as a percentage of the amount payable for the covered Loss under the certificate up to a specified number of months. This benefit is not payable if the Employee or Spouse receives additional benefits under the certificate for total disability, ceases to be totally and permanently disabled, attains a specified age or fails to provide required Proof of Loss.
- (cc) ***Travel benefits.*** In the event an Employee and/or Dependent suffers a covered Loss (typically loss of life) while the Employee is traveling on business for the Policyholder, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or as a percentage of the amount payable for Loss of life under the certificate or the amount payable for the specific covered Loss suffered by the Employee or Dependent, as applicable.
- (dd) ***Workplace felonious assault benefit.*** In the event an Employee suffers a covered Loss (typically loss of life) as a result of a felonious assault occurring at the Policyholder's regular place of business, or while the Employee is travelling on business for the Policyholder, this benefit pays an additional benefit. The benefit may be stated as a flat dollar amount, or a percentage of the amount payable for Loss of life under the certificate.

The certificate provisions for the additional benefits shall define terms that have special meanings, describe who is entitled to the benefits, state when the benefits end and describe the terms and conditions of such benefits, including benefit amounts.

- (6) The provisions may include benefits for other Losses that are approved by the Interstate Insurance Product Regulation Commission.

**NOTE: The NAIC team has concern with the vagueness of this language. This sentence appears in several standards for different lines of business.**

- (7) The provisions shall state that the Employee Accidental death benefit is payable to the Beneficiary, the Dependent Accidental death benefit is payable to the Employee, and the Employee and Dependent Accidental Dismemberment benefits are payable to the Employee. The provisions may also allow benefits to be payable to other persons or entities as designated by the Employee.
- (8) The provision shall not include an aggregate limit that caps the Accidental death and Dismemberment benefits payable for all certificates issued by the insurance company and its subsidiaries and affiliates.

#### PHYSICAL EXAM AND AUTOPSY

- (1) The provisions may state that the insurance company reserves the right, at its expense, to have a Covered Person examined as often as reasonably necessary for the duration of a claim for an Accidental Dismemberment benefit.
- (2) The provisions may also state that the insurance company reserves the right, at its expense, to request an autopsy unless prohibited by law.

#### EXCLUSIONS

- (1) The provisions shall specify any exclusion applicable to the Accidental death and Dismemberment benefit. The exclusions shall be limited to the following:
  - (a) Loss caused or contributed to by disease or infirmity of mind or body, or medical or surgical treatment for such disease or infirmity;
  - (b) An infection not occurring as a direct result or consequence of the Accidental Bodily Injury;
  - (c) Loss caused or contributed to by any attempt at suicide, or intentionally self-inflicted Injury, while sane or insane;
  - (d) Loss caused or contributed to by travel in or descent from an aircraft, if a Covered Person acted in a capacity other than as a passenger;

- (e) Loss caused or contributed to by travel in an aircraft or device used for testing or experimental purposes, used by or for any military authority, used for travel beyond the earth's atmosphere;
- (f) Loss caused or contributed to by "war" or "act of war," as defined in the standards for the exclusions provision of the certificate;
- (g) Loss caused or contributed to by active participation in a:
  - Riot;
  - Insurrection; or
  - Terrorist activity;
- (h) Loss occurring while a Covered Person is incarcerated;
- (i) Loss caused or contributed to by committing or attempting to commit a felony;
- (j) Loss caused or materially contributed to by voluntary intake or use by any means of:
  - (i) Any drug, unless:
    - a) Prescribed or administered by a physician and taken in accordance with the physician's instructions; or
    - b) An over the counter drug, taken in accordance with the instructions; or
  - (ii) Poison, gas or fumes, unless a direct result of an occupational Accident;

**NOTE: PSC to reconcile with individual standards (for possible amendment).**

- (k) Loss caused or contributed to by intoxication as defined by the jurisdiction where the Accident occurred;
- (l) Loss caused or contributed to by riding or driving an air, land or water vehicle in a race, speed or endurance contest;
- (m) Loss caused or contributed to by bungee jumping;
- (n) Loss caused or materially contributed to by participation in an illegal occupation or activity;
- (o) Loss caused or contributed to by rock or mountain climbing; and/or
- (p) Loss caused or contributed to by aeronautics (hang-gliding, skydiving, parachuting, ultralight, soaring, ballooning and parasailing).

- (2) The provisions may include any other exclusions that may be approved by the Interstate Insurance Product Regulation Commission.

**NOTE: The NAIC team has concern with the vagueness of this language. This sentence appears in several standards for different lines of business.**

#### INCONTESTABILITY

- (1) If the Accidental death and Dismemberment benefit is issued as an attachment to the certificate, the provisions may state that the insurance company shall not contest the Accidental death and Dismemberment benefit after it has been in force during the lifetime of a Covered Person for two years from the date of issue of the benefit, except for fraud in the procurement of the benefit, when permitted by applicable law in the state where the certificate is delivered or issued for delivery.

#### WHEN THE ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT ENDS

- (1) The provisions shall include the following conditions under which the Accidental death and Dismemberment benefit shall end. Such benefit shall end at the earliest of:
  - (a) upon written request from a Covered Person;
  - (b) the date a Covered Person's group term life insurance coverage ends under the certificate;
  - (c) the end of the period for which the last premium has been paid for a Covered Person, in accordance with the provisions of the certificate;
  - (d) the date the group term life insurance policy ends; or
  - (e) the date a person ceases to be in an eligible class under the certificate.

For item (e) above, the provision may allow the insurance company to end coverage at a specified point in time following the date the person ceases to be in an eligible class.

- (2) The provisions may also include conditions that the Accidental death and Dismemberment benefit ends on the date a Covered Person retires or attains a specified age.
- (3) The provision shall state that when the Accidental death and Dismemberment benefit ends, this shall not prejudice the payment of benefits for any Accident that occurred while the benefit was in force.