

NAIC CONSUMER LIAISON
REPRESENTATIVE RECOMMENDATION
TO THE EXECUTIVE COMMITTEE

RECOMMENDED BY: Sonja Larkin-Thorne and Brendan Bridgeland

DATE: August 11, 2015 (see 11/16/15 update below)

ISSUE: The NAIC has not studied and produced a Model Law or Best Practices White Paper to Insurance Departments concerning Disability Income Insurance products and policy forms . Without guidance developed by the NAIC with its substantial research capabilities (which are not available to the IIPRC or individual insurance departments), consumers may be left exposed to detrimental or unclear products. This includes policy forms that circumvent long-established state subrogation laws by placing the insurer ahead of an injured policyholder to benefit from a third-party personal injury recovery.

COMMITTEE REFERRAL RECOMMENDATION:

(A)_____ (B)_____ (C)_____ (D)_____ (E)_____ (F)_____ (G)_____

ACTION REQUESTED/CHARGE RECOMMENDED: We request the NAIC to establish a Working Group or Task Force to develop either a model law or Best Practices White Paper to rectify the current lack of standards and guidance for Disability Income Insurance products.

NAIC ACTION:

RECOMMENDATION ACCEPTED: _____

RECOMMENDATION DECLINED: _____

STATUS UPDATE

NAIC staff is working on a recommendation for the Executive Committee based on discussions by the IIPRC concerning its Group Disability Income Uniform Standards and the Regulatory Framework (B) Task Force discussions related to the Accident and Sickness Insurance Minimum Standards Model Act. Both discussions are scheduled for the Fall National Meeting. 11/16/15

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