

1 STATE OF ARIZONA

2 DEPARTMENT OF INSURANCE

3 In The Matter Of:

No. 15A-005-INS

4 LIFE AND DISABILITY FORM FILING
5 EXEMPTIONS; GROUP LONG-TERM
6 CARE FORM FILING EXEMPTIONS

7 NOTICE OF PUBLIC COMMENT
8 PERIOD BEGINNING APRIL 1, 2015 AND
9 ENDING APRIL 15, 2015

10 THE STATE OF ARIZONA DEPARTMENT OF INSURANCE GIVES NOTICE that,
11 pursuant to Arizona Revised Statutes ("A.R.S.") §§ 20-1110(F) and 20-1691.08(F), the
12 Director will receive public comment to assist her in determining whether certain life,
13 disability and group long-term care insurance product forms should be exempt from the
14 filing requirements, specifically:

- 15 1) The applicability of filing and approval requirements for life and disability
16 insurance advertising forms subject to A.R.S. § 20-1110(E) (Exhibit A). **No**
17 **changes are proposed for Exhibit A.;**
- 18 2) The applicability of filing and approval requirements for life and disability
19 insurance product forms subject to A.R.S. § 20-1110(A) (Exhibit B); and
- 20 3) The applicability of filing and approval requirements for group long-term care
21 insurance product forms subject to A.R.S. § 20-1691.08 (Exhibit C). **No**
22 **changes are proposed for Exhibit C.**

23 The Director previously issued an Order (Docket No. 03A-143-INS, October 22,
24 2003) exempting certain life, disability and group long-term care forms from the filing and
25 approval requirements of A.R.S. §§ 20-1110 and 20-1691.08. The order in this matter will
26 supersede the order in Docket No. 03A-143-INS.

1 The proposed changes to the previous order and proposed new exemptions are set
2 forth in Exhibits A, B and C (**no changes are proposed for Exhibits A and C**). The
3 Exhibits are attached hereto with deletions ~~struck~~ and additions underlined and shown in
4 **bold**.

5 Parties may register their public comment by sending an electronic communication
6 to the following mailbox: public_comments@azinsurance.gov. All registered public
7 comments are considered public records.

8 The Department will receive public comments from **April 1, 2015 through April 15,**
9 **2015**. The Director will not consider any comments received after the close of the public
10 comment period.

11 Questions regarding this notice should be directed to Mary Kosinski, Executive
12 Assistant for Regulatory Affairs, at 602-364-3471 or mkosinski@azinsurance.gov.

13 DATED this 1st day of April, 2015.

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16 DARREN ELLINGSON, Deputy Director
17 Arizona Department of Insurance
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EXHIBIT A

ADVERTISING FORMS EXEMPTED FROM THE FILING REQUIREMENTS OF A.R.S. § 20-1110(E)

(Note: No changes are anticipated for Exhibit A.)

Pursuant to the provisions of A.R.S. § 20-1110(F), the Director may exempt, by order, any life and disability insurance document or form or type as specified in such order from the filing requirements of A.R.S. § 20-1110 if, in her opinion, the filing is not desirable or necessary for the protection of the public.

Accordingly, the following life and disability advertising forms are exempt from the filing requirement of A.R.S. § 20-1110(E);

- A. All Individual and Group Life Insurance Advertisements
- B. All Individual and Group Annuity Advertisements
- C. All Disability Income Advertisements
- D. All Indemnity Dental Advertisements
- E. All Accident Only Insurance Advertisements
- F. All Group Long-Term Care Insurance Advertisements

EXHIBIT B

I. LIFE AND DISABILITY FORMS EXEMPTED FROM THE FILING AND APPROVAL REQUIREMENTS OF A.R.S. § 20-1110(A)

(**Note:** Changes to the Director's Order filed October 22, 2003, Docket No. 03A-143-INS, Exhibit B, are shown below with deletions struck and additions underlined and shown in **bold**.)

Pursuant to the provisions of A.R.S. § 20-1110(F), the Director may exempt, by order, any life and disability insurance document or form or type as specified in such order from the filing requirements of A.R.S. § 20-1110 if, in her opinion, the filing is not desirable or necessary for the protection of the public.

Accordingly, the following life and disability advertising forms are exempt from the filing requirement of A.R.S. § 20-1110(A);

A. The following types of life insurance policy forms **are exempt from filing**:

1. Individual permanent policies with fixed premiums, benefits and guaranteed values as follows:
 - a. Ordinary whole life.
 - b. Limited pay life.
 - c. Life paid up at certain ages.
 - d. Endowments.
 - e. Modified benefit whole life (only 1 decrease or increase in face amount at a certain age with no change in premium).
 - f. Modified premium whole life (only 1 change in premium with no change in benefit amount).
 - g. Single premium life and endowments.
 - h. Joint life without survivorship benefits.
 - i. Individual policies issued as a result of a group conversion privilege.
2. Individual term policies.
3. Group policies as follows:
 - a. Group annuities.
 - b. Group permanent life.
 - c. Group term life.
4. Miscellaneous life forms as follows:
 - a. Industrial life.
 - b. Immediate annuities.
 - c. Variable life and annuity contracts which provide benefits according to the investment experience of a separate account pursuant to A.R.S. § 20-651.

- d. Applications, endorsements, amendments and riders issued in conjunction with (1), (2), (3) and (4) above.

B. The following types of disability insurance policy forms **are exempt from filing**:

1. Group disability policies, including blanket disability, except group policies issued to trustees where the trust situs is in this state. **the following forms which must be filed:**
 - a. **Forms issued to small group (2-100 employees) as defined by 45 CFR §155.20, and**
 - b. **Group disability forms issued to trustees where the trust situs is in Arizona, and**
 - c. **Forms issued to Associations as defined by 45 CFR §154.102, for which an evidence of coverage is issued to individuals or small groups in Arizona, and**
 - d. **All group forms issued by HCSOs.**
2. **Any size Group Dental forms, except prepaid dental which must be filed.**
23. Forms for individual disability policies as follows **are exempt from filing**:
 - a. Long term disability income including overhead expense.
 - b. Short term disability income including overhead expense.
 - c. Prescription drugs.
 - d. Accident only.
 - e. Travel accident.
 - f. Accidental death and disability.
 - g. Overhead expense disability income.
 - h. Individual policies issued as a result of a group conversion privilege.
34. Applications, riders, endorsements and amendments issued in conjunction with (1), (2) **and (3)** above.

C. Regulation of exempt forms:

1. Each year, on or before June 30, insurers shall file with the ~~Life and Health~~ **Rate and Form** Division of the Department of Insurance a verified list of all forms which became available for issue in the State of Arizona as of June 1 of the previous year and which are exempt from the filing requirements of A.R.S. § 20-1110 by this Order.
2. The verified list of exempt forms shall set forth each such exempt ~~from~~ **form** by its title and form number. If the form does not have a descriptive title, a brief explanation of the coverage provided shall be included.

- a. The list of exempt forms shall be accompanied by an original certification as set forth in Certification 1, executed by a designated representative of the insurer, unless such certifications have previously been filed for said forms.
- b. The list of exempt forms shall be accompanied by an original actuarial certification set forth in Certification 2. The actuarial certification shall apply to all exempt life and annuity forms, unless such certifications have previously been filed for said forms.

**CERTIFICATION 1
STATE OF ARIZONA
CERTIFICATION
ANNUAL LIST OF EXEMPT LIFE, ANNUITY AND DISABILITY FORMS
(INCLUDING DENTAL FORMS)**

I have reviewed or supervised the preparation of the enclosed list of exempt forms available for issue in Arizona. I hereby certify that to the best of my knowledge, information and belief, the information provided is correct and complete, that none of these forms are deceptive and misleading and none of these forms contain exceptions or conditions that unreasonably or deceptively affect the risk purported to be assumed in the general coverages of the policy. I certify that the forms listed comply with all applicable laws, regulations and bulletins and that the use of any form listed in this report will be discontinued in the event of future changes in laws or regulations which would prohibit the use of such a form.

**CERTIFICATION 2
STATE OF ARIZONA
CERTIFICATION
ACTUARIAL LIST OF EXEMPT LIFE AND ANNUITY FORMS**

I have reviewed or supervised the review of the actuarial formulae for policies exempt from filing. I certify that the nonforfeiture benefits for these policies, for every age and face amount combination, meet the nonforfeiture requirements of the Arizona Insurance Code. I certify that to the best of my knowledge the policies are not actuarially deceptive or misleading and do not contain exceptions or conditions that unreasonably or deceptively affect the risk purported to be assumed in the general coverage of the policies.

II. INDIVIDUAL LIFE AND ANNUITY FORMS CONDITIONALLY EXEMPTED FROM THE PRIOR APPROVAL REQUIREMENTS OF A.R.S. § 20-1110(A)

Pursuant to the provisions of A.R.S. §20-1110(F), the Director may exempt, by order, any life insurance or annuity document or form as specified in such order from the approval requirements of A.R.S. §20-1110 if, in her opinion, the approval of such is not desirable or necessary for the protection of the public.

Accordingly, forms relating to ordinary life insurance or annuity contracts which meet the criteria listed below are conditionally exempted from the prior approval requirement of A.R.S. §20-1110(A) at the time of the first use in this state and the requirement of filing with the Director at least thirty (30) days prior to delivery or issuance for delivery pursuant to A.R.S. §20-1110(C).

A. The identical form (except for variations necessary to meet the requirements of the state in which coverage will be effective) has already been allowed or approved by the insurance regulatory agency of the filing insurer's state of domicile; and

B. The identical form (except for variations necessary to meet the requirements of the state in which coverage will be effective) has already been allowed or approved by the insurance regulatory agency or agencies of a state or states, other than the filing insurer's state of domicile, in which the filing insurer issued at least 25% of its total U.S. business for ordinary life insurance or annuity considerations, as applicable, according to the applicable State Pages, Exhibit of Premiums and Losses, page 21, of its annual statement as of the most recent calendar year end;

C. The law of the states referenced in paragraphs A and B requires that the form be filed with the insurance regulatory agency at least 15 days prior to its use and either requires approval, or allows the insurance regulatory agency an opportunity to disapprove it, prior to its use in that state; and

D. The law of the states referenced in paragraphs A and B allows the insurance regulatory agency to disapprove the form if it is ambiguous, misleading or deceptive, or a substantially similar standard; and

E. The form is filed with this Department no later than the date it is first delivered or issued for delivery in this state; and

F. Together with the form, the insurer files all of the following:

1. A certification of qualification for this exemption, in a form required by this Department;
2. A certification attesting to the insurer's knowledge and understanding of, and the form's compliance with, the law of Arizona, in a form required by this Department.

EXHIBIT C

LONG-TERM CARE FORMS EXEMPTED FROM THE FILING AND APPROVAL REQUIREMENTS OF A.R.S. § 20-1691.08

(Note: No changes are anticipated for Exhibit C.)

Pursuant to the provisions of A.R.S. § 20-1691.08(F), the Director may exempt, by order, any long-term care insurance rate or form, to which, in the Director's opinion, A.R.S. § 20-1691.08 may not practicably be applied or the filing and approval of which are, in the Director's opinion, not desirable or necessary for the protection of the public.

Accordingly, the following long-term care rates and forms are exempt from the filing and approval requirements of A.R.S. § 20-1691.08:

All Group Long-term Care