January 22, 2016

Ms. Jolie Matthews  
Senior Health and Life Policy Counsel  
National Association of Insurance Commissioners  
Hall of the States Building, Suite 700  
444 North Capitol Street, NW  
Washington, DC 20001

RE: Revisions to the Minimum Standards Model Act (#170) and Model Regulation (#171)

Dear Ms. Matthews:

The American Council of Life Insurers (ACLI) appreciates the opportunity to comment on the proposed work to be completed by the Regulatory Framework Task Force regarding the Accident and Sickness Insurance Minimum Standards Model Act (#170) and the Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act (#171). ACLI is a Washington, D.C.-based trade association with approximately 300 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers’ products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 90 percent of industry assets and premiums.

We appreciate the work completed by the regulators and interested parties to update the Models to delete references to medical insurance as defined by the Affordable Care Act (ACA). As the Task Force continues to explore updating these models in 2016, we believe that disability income insurance should remain in both of the Models. As with all of the Health Insurance Portability and Accountability Act (HIPPA), as amended by the Affordable Care Act, disability income insurance is listed as an excepted benefit product along with other products listed in the Models. As such, there does not seem to be a reason to distinguish this category of coverage from the others in terms of minimum standards.

Furthermore, over the years states have adopted some version of these minimum standards and they have not necessarily used the phrase “accident & sickness” insurance in their statutes or regulations. Depending on the state the terms “accident and health” insurance, “disability insurance” and “health insurance” have all been defined to include these products. No matter what phrase has been used to define these accident and sickness products, the terminology is embedded throughout state statutes and regulations so that if those phrases are used they usually refer to all of the ‘excepted’ products, including disability income. Thus, to carve out disability income insurance from these minimum standards Models into its own Models would appear to be creating more work for states than has been contemplated as those references may need to be addressed by a state in its laws and regulations, if it goes about adopting any new models.
With that being said, we question if there has been a thorough review of actual state regulations to determine if updating the Models will be beneficial to the states and all interested parties. As mentioned, the states have adopted at least some version of the models, some specifically having sections for various ‘excepted’ benefits, and it appears that updates have occurred according to the situations in the states.

In summary, we encourage the Task Force to **not** develop new models for disability income insurance, but continue to include them with the other ‘exempted’ benefits in these minimum standards Models. We thank you for your consideration of our comments.

Sincerely,

Steven M. Clayburn, FSA, MAAA