

Review Requirements Checklist
GROUP FLEXIBLE PREMIUM ADJUSTABLE LIFE

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
General Filing Requirements		
Transmittal Letter	14 VAC 5-100-40	For Paper Filings: Must be submitted in duplicate for each filing, describing each form, its intended use and kind of insurance provided.
	14 VAC 5-100-40 1	Forms submitted and described in transmittal letter must have a number that consists of digits, letters or a combination of both.
	14 VAC 5-100-40 2	Must clearly indicate if forms are replacements, revisions, or modifications of previously approved forms and describe the exact changes that are intended.
	14 VAC 5-100-40 3	Certification of Compliance signed by General Counsel or officer of company or attorney or actuary representing company is required.
	14 VAC 5-100-40 5	Description of market for which form is intended.
	14 VAC 5-100-40 6	For Paper Filings: At least one copy of each form must be included in the filing. A duplicate copy of forms must be submitted if the company wants a “stamped” copy of forms for its records. A stamped self-addressed return envelope is required. The letter of transmittal must be addressed to: State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218.
	Administrative Letter 1983-7	Must include the name and individual NAIC number of the company for which the filing is made.
Additional SERFF Filing Requirements	Administrative Letter 2012-03	Additional SERFF filing requirements must be met as specified below for life and health forms and rate filings. Failure to provide the applicable information will result in a “rejected” filing.
General Information – Filing Description		(i) Description of each form by name, title, edition date, other; and intended use.
		(ii) Identification of changes in benefits and premiums (previously approved or filed forms). [Place changed contract provisions (red-lined or highlighted) in Supporting Documentation].
		(iii) Identification of SERFF or state tracking number for the previously approved or filed form for which the new form revises, replaces, or is intended to be used.
		(iv) A statement as to whether any other regulatory body has withdrawn approval of the form because the form contains one or more provisions that were deemed to be misleading, deceptive or contrary to public policy.
HELP TIP:		If a form or rate filing is submitted as new in Virginia, but was previously disapproved or withdrawn in Virginia, please provide details such as the tracking information, form number, and the date that the form or rate filing was disapproved or withdrawn, if available.

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Rate Changes		(i) Specify the number of affected policyholders.
		(ii) Provide the reason(s) for the proposed change(s).
		(iii) Include a statement regarding an increase, decrease, revision of former rates.
		(iv) Specify the percentage amount(s) of the change(s).
Forms		
Form Number	14 VAC 5-100-50 1	Form number must appear in lower left-hand corner of first page of each form.
Company Name & Address	14 VAC 5-100-50 2	Full and proper corporate name (including "Inc.") must prominently appear on cover sheet of all policies and other forms. Home office address of insurer must prominently appear on each policy.
Final form	14 VAC 5-100-50 3	Form must be submitted in the final form in which it will be issued and completed in "John Doe" fashion to indicate its intended use.
Application	14 VAC 5-100-50 4	Any form, which is to be issued with an attached application, must be filed with a copy of the application completed in "John Doe" fashion to indicate its intended use. (If an application was previously approved, advise date of approval.)
Type Size	14 VAC 5-100-50 5	Accident and Sickness forms must be printed with type size of at least ten-point type. All other forms must be printed with type size of at least eight-point.
Arbitration	§ 38.2-312	Contract may not deprive courts of Virginia jurisdiction in actions against insurer. Arbitration may not be binding.
Fraud Notice	§ 38.2-316 D 1	Title 38.2 of the Insurance Code does not define "Insurance Fraud." Any notice regarding insurance fraud is in non-compliance with this section of the Code. Variations in a notice warning of consequences of making fraudulent statements are acceptable. The notice may disclose that it does not apply to Virginia or may disclose states where applicable.
Disclosures		
Important Information Notice	§ 38.2-305 B	Virginia requires that an important notice accompany each new or renewal insurance policy, contract, certificate or evidence of coverage that contains information of where to get information regarding the policy, contract, certificate or evidence of coverage.
Beneficiary Notice	§ 38.2-305 C	Every life ins. contract that states that the beneficiary is the spouse of the policy owner must contain a beneficiary notice either attached to or incorporated into the first page of the contract.
General Policy Provisions		
Title of Policy	38.2-316 D 2	Each policy must include, on its face page, a title that briefly and accurately describes the nature and form of the policy. The only acceptable title in Virginia is "Flexible Premium Adjustable Life Insurance".
Suicide	§ 38.2-3106 B	Limits the liability of the insurer to an insured who dies by his own act within 2 years from the date of the policy. The insurer is obligated to return or pay the amount of the premium paid for the policy.

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Contestability of Reinstated Policy	§ 38.2-3109	The policy may be contestable on account of fraud or misrepresentation of any material fact pertaining to the reinstatement in the application for reinstatement only from the same period after the reinstatement of the policy provided for contestability.
Interest on Life Proceeds	§ 38.2-3115	If an action to recover the proceeds under any life contract results in a judgement against the insurer, the legal rate of interest shall be paid from the date of presentation of proof of death, or the date of maturity of an endowment policy, to the date that the judgement was entered. If no action was brought, interest upon the principal sum shall be computed daily at an annual rate of 2½% or at the annual rate currently paid by the insurer on proceeds left under the interest settlement option, whichever is greater, commencing from the date of death.
Dependent Coverage	§ 38.2-3323 A 1	Coverage may be extended to insure the spouse and any child who is under the age 19 or who is a dependent and a full-time student under the age of 25, or any class of spouses and dependent children, of each insured group member who so elects.
	§ 38.2-3323 A 2	Any other person in whom the insured group member has an insurable interest as defined in §§ 38.2-301 and 38.2-302 as may be mutually agreed upon by the insurer and the group policyholder.
	§ 38.2-3323 B	Spouse shall have the same conversion rights as the insured group member.
	§ 38.2-3323 D	Coverage may be extended to any child who is mentally retarded or physically handicapped and chiefly dependent upon the employee for support and maintenance.
	§ 38.2-3323 E 1	A child shall have issued to him, without evidence of insurability, an individual life policy if group coverage terminates.
	§ 38.2-3323 E 2	If the death of a group member results in termination of the group coverage or the dependent ceases to be a qualified family member while the group member remains insured under the group policy, a conversion privilege shall be made available to the surviving dependent.
Grace Period	§ 38.2-3325	Each policy shall contain a provision that each insured is entitled to at least 61 days in which to pay premiums after the first premium.
Incontestability	§ 38.2-3326 A	Each policy shall contain a provision that a policy shall be incontestable after it has been in force for two years from its date of issue except for nonpayment of premiums.
	§ 38.2-3326 B	No statement made by any person insured shall be used in contesting the validity of the insurance unless the statement is contained in a written instrument signed by him.
Entire Contract	§ 38.2-3327 B 1	Each policy shall contain a provision that states that a copy of any application shall be attached to the policy when issued.
	§ 38.2-3327 B 2	Each policy shall contain a provision that states that all statements shall be deemed representations and not warranties.
	§ 38.2-3327 B 3	Each policy shall contain a provision that states that no written statement made by the insured shall be used in any contest unless a copy of the statement has been furnished to the person, his beneficiary, or his personal representative.

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Evidence of Insurability	§ 38.2-3328	Each policy shall contain a provision that sets forth any condition which the insurer reserves the right to require evidence of individual insurability.
Misstatement of Age	§ 38.2-3329	Each policy shall contain a provision that an equitable adjustment of premiums or benefits shall be made if the age of the insured has been misstated.
Payment of Benefits	§ 38.2-3330	Each policy shall contain a provision that any sum payable because of the death of the insured shall be payable to the beneficiary. The insurer reserves the right to pay part of a sum, not exceeding \$2,000, to any person appearing to be equitably entitled because of incurred funeral or other expenses due to the death or illness of the insured.
Individual Certificate	§ 38.2-3331	Each policy shall contain a provision that the insurer will issue to the policyholder an individual certificate for delivery to each person insured.
Conversion upon Termination of Employment or Membership	§ 38.2-3332	Each policy shall contain a provision that if the insurance ceases because of termination of employment or membership in the class, the person shall be entitled to an individual policy. The amount of the individual policy shall not exceed the amount of the terminated group policy less the amount of any group life insurance that the person is or becomes eligible for within 31 days after termination.
Conversion upon Termination of Group Policy/Elimination of Class	§ 38.2-3333	Each policy shall contain a provision that if the group policy terminates or is amended so as to terminate any class of insured persons, every person, other than a minor child pursuant to Section 38.2-3323, who has been insured for at least 5 years, shall be entitled to an individual policy. The amount of the insurance offered cannot exceed the smaller of the amount of coverage terminating less the amount of any life insurance for which the person is or becomes eligible under any group policy within 31 days after termination or \$10,000.
Death after Termination	§ 38.2-3334	The amount of the life insurance shall be payable as a claim under the group policy if the person dies during the period within which he is entitled to an individual policy and before the policy has become effective.
Additional Persons – Eligibility	§ 38.2-3335	Each policy shall contain a provision that states that any person who becomes a member of a group or class covered under the policy shall be eligible for group life insurance with the same requirements as any other member of the group or class.
Miscellaneous Requirements		
Variations of Certain Forms	§§ 38.2-3315 & 38.2-316	The universal life contract has been approved conceptually in accordance with Sections 38.2-3315 and 38.2-316 of the Code of Virginia. Certain requirements of Virginia law have been waived or modified to accommodate this particular type of product.
Policy Illustration		The proposal must show benefits for at least 20 years consecutively, as well as ages 60, 65 and 70. It must also show a minimum of two tables: one for current values and one for guaranteed values. Additionally, if more than one page is involved, the pages of the report must be serialized. (Although Virginia did not adopt the NAIC Life Illustrations Model Regulation, we will accept the illustration in lieu of the proposal as long as the company provides WRITTEN certification that the illustration complies with the Model Regulation).

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Annual Report		The annual report must disclose all policy activity on a monthly basis. The report should also provide the following footnote whenever an analysis of the forthcoming year would indicate: <i>“According to our projection , your net cash value may not be sufficient to continue coverage to the next anniversary date”</i> , or similar language.
Data Page Warning		The maturity date which appears on the specifications page should be footnoted to disclose the following: <i>“It is possible that coverage will expire prior to the maturity date shown, where either no premiums are paid following the initial premium, or subsequent premiums are insufficient to continue coverage to such date”</i> , or other similar language.
Delivery Receipt		The policy/proposal receipt is signed by the owner and agent assuring delivery of the policy and proposal. A copy must be retained by the home office.
Actuarial Memorandum		The actuarial memorandum should include information regarding the reserve methodology and provide nonforfeiture demonstration.
Proposal Provision		The policy must include a provision referencing the availability of additional proposals. A nominal fee may be charged for this service.

Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:
<http://www.scc.virginia.gov/boi/laws.aspx>

The Life and Health Division, Forms and Rates Section reviews group flexible premium adjustable life insurance. Please contact this section at (804) 371-9110 if you have questions or need additional information about this line of insurance.

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I hereby certify that I have reviewed the attached group flexible premium adjustable life filing and determined that it is in compliance with the group flexible premium adjustable life checklist.

Signed: _____

Name (please print): _____

Company Name: _____

Date: _____ Phone No: () _____ FAX No: () _____

E-Mail Address: _____