

Illinois Department of Insurance
 320 West Washington Street
 Springfield, IL 62767-0001

**Individual Variable Universal Life (Flexible and Fixed Premium)
 Review Requirements Checklist**

Effective 06/27/24

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
		NOTE: These brief summaries do not include all requirements of all laws, regulations, bulletins, or requirements, so review actual law, regulation, bulletin, or requirement for details to ensure that forms are fully compliant before filing with the Department of Insurance.	
FORM FILING REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
Review Requirements Checklist	Go to Review Requirements Checklists on DOI web site. See next column	Each filing must include a completed Review Requirements Checklist that must contain a completed "Location of Standard in Filing" column for each required element of the filing. Please indicate the proper page # and form # for each entry.	
Filing Description and Letter of Submission	50 IL Adm. Code 1405.20 (e) 50 IL Adm. Code 916.40 (b)	In addition to referencing any previously approved form number(s) as required by 50 IL Adm. Code 1405.20(e), those references must also include the filing number and SERFF tracking number (if applicable and available) for the referenced forms. Letters of submission must generally describe the intent and use of the form being filed and, if applicable, how it will be used with any previously approved form(s).	
GENERAL REQUIREMENTS FOR ALL FILINGS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	
Entire Contract	215 ILCS 5/224(1)(c)	The policy together with an endorsed application attached to the policy shall constitute the entire contract between parties.	
Incontestable Period	215 ILCS 5/224(1)(c) 50 IL Adm. Code 1405.40 e)	The policy shall be incontestable after a period of no more than 2 years, except for non-payment of premium and certain other conditions.	
Premium Payments	215 ILCS 5/224(1)(a)	The policy must contain a provision that all premiums after the first shall be payable in advance either at the home office or to an agent of the company. A signed receipt will be issued at the request of the policyholder.	
Premium Adjustment	50 IL Adm. Code 1451.60 c) 1)	At the time of claim any premium not paid at the time of death may be deducted from the death claim settlement.	

Misstatement of Age	215 ILCS 5/224(1)(d)	If a misstatement of age is found at any time before final settlement, the amount payable under the policy shall be the amount the premium would have purchased at the correct age at the date of issue.	
Free Look	215 ILCS 5/224(1)(n)	The policy must contain a 10-day free look provision.	
Grace Period	215 ILCS 5/245.25 50 IL Adm. Code 1451.60 c) 1)	The insured is entitled to a grace period of 30 days.	
Proof of Death/Payment of Claim	215 ILCS 5/224(1)(j) 50 IL Adm. Code 1405.40 g)	Settlement of a claim shall be made upon receipt of due proof of death and not later than 2 months after receipt of such proof. Insurers may not require a specific form for filing a claim.	
Delayed Settlement Interest	215 ILCS 5/224(1)(l)	This provision need not appear in the policy; however, the insurer must notify the beneficiary at the time of claim. Interest will accrue on the proceeds payable from the date of death, at the rate of 10%, on the total amount payable, or the face amount if payments are to be made in installments, until the total payment or first installment is paid, unless payment is made within 15 days of receipt of due proof of loss.	
Dividends	215 ILCS 5/224(1)(e) 50 IL Adm. Code 1405.40 i)	There must be a provision that the policy annually participates in the surplus of the company starting no later than the end of the third policy year or first policy year if the policy provides for annual participation. Dividend options are reduction in premium; proceeds left to accumulate; proceeds paid in cash; or proceeds used to purchase extended term or paid-up insurance.	
Reinstatement	215 ILCS 5/245.25 50 IL Adm. Code 1451.60 c) 2)	There must be a provision that in the event of default of the premium, reinstatement, within 3 years from such default, is available as specified. Interest charged for overdue premium may not exceed 6%.	
Appropriate Descriptive Title	215 ILCS 5/224(1)(m) 215 ILCS 5/149(1) 215 ILCS 5/143(1)	There must be an appropriate, unambiguous title describing the form of the policy. The policy must contain a prominent statement on the face page in bold face type or in contrasting color that the death benefit will be either fixed or variable.	
Signatures Required	215 ILCS 5/224(1)(c)	Signatures of the officers of the insurer must appear on the face page of the policy.	
Conversion	215 ILCS 5/143(1)	If there is a conversion privilege stated in the descriptive title that provision must also be described within the policy, itself.	
Unisex Filings	215 ILCS 5/223(3)(a)(i)	The filing must indicate that the form is being filed in accordance with Norris decision type groups.	

ADMINISTRATIVE CODE PROVISIONS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	
Name and Address Required	50 IL Adm. Code 1405.20 c) 1) 2)	The insurer name and home office address are required on the front and back page of the policy.	
Schedule Page Requirements	50 IL Adm. Code 1405.20 d) 2)	The schedule page must be completed in "John Doe" fashion.	
Disclosure of Premium	50 IL Adm. Code 1451.50 b) c)	Contracts providing both a fixed and variable benefit must indicate the premium charged for each component separately in the contract and must disclose that information to prospective annuitants prior to the time of the sale.	
Certification Requirement	50 IL Adm. Code 1451.50 d)	Insurers filing variable contracts must include a certification, signed by a company officer, stating that it will not sell the product subsequent to the Division's approval unless the Securities and Exchange Commission has provided an effective date for any securities registration required by federal law.	
Time Limit on Filing Claims	50 IL Adm. Code 1405.40 g)	There is no time limit for filing a death claim unless the claim is conditional upon other contingencies such as prior disability or accident.	
Non-forfeiture and cash surrender values	50 IL Adm. Code 1451.60 c) 3) A) B)	There must be non-forfeiture options under the policy in the event of default of the premium. An actuarial memorandum must accompany the filing.	
Investment Increment Factors	50 IL Adm. Code 1451.60 e)	Variable contracts must clearly state the investment increment factors used in computing the dollar amount of variable benefits or other variable contractual payments or values. An actuarial memorandum is required.	
Annual Report	50 IL Adm. Code 1451.70 a) b)	The insurer must provide, after the first contract year, an annual report that provides the insured with the number of shares and their dollar value, or the total value of the account.	
Automatic Premium Loans	50 IL Adm. Code 1405.40 c)	Automatic premium loan provisions must be elective.	
War Clause	50 IL Adm. Code 1402.10 and 1402.20	Military and noncombatant civilian exclusion clauses are permissible as long as the insurer has excluded benefits due to war in the incontestable clause and complies with the requirements of 50 IL Adm. Code 1402.	
Suitability	50 IL Adm. Code 1551.90(g).	No recommendation shall be made by an insurance producer or insurer where no producer is involved, to an applicant to purchase a variable life insurance policy, on an individual basis, in the absence of reasonable grounds to believe that the purchase of the policy is not unsuitable for the applicant. This is after reasonable inquiry of the applicant concerning age, insurance and investment objectives, financial situation, needs and tax status, and any other information known to the insurer or producer making the recommendations.	

GENERAL INFORMATION	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	
Cash Surrender Deferred	215 ILCS 5/229.2 (1)(vi) 215 ILCS 5/143(1)	There must be a policy provision that the payment of variable death benefits in excess of any minimum death benefits, cash values, policy loans or partial withdrawals or surrenders (except when used to pay premiums) may be deferred: a.) for up to six months from the date of the request, if payments are based on policy values which do not depend on the investment performance of the separate account; or b.) for any period during which the New York Stock Exchange is closed for trading (except for normal holiday closing) or when the Securities and Exchange Commission has determined that a state of emergency exists which may make such payment impractical.	
HIV/AIDS Questions on Application	215 ILCS 5/143(1)	Questions designed to elicit information regarding AIDS, ARC and HIV must be specifically related to the testing, diagnosis or treatment done by a physician or an appropriately licensed clinical professional acting within the scope of his/her license.	
Reserve Liability	50 IL Adm. Code 1451.60 f)	The reserve liability must be established according to 215 ILCS 5/223.	
No Discrimination on Lawful Travel	215 ILCS 5/236(e)	No life company may discriminate in its underwriting or rating practices based on an insured's past or future lawful travel. Exceptions may be made based on sound actuarial principals or related to actual or reasonably expected experience not based solely on a destination's inclusion on the US Department of State's travel warning list.	
DEPARTMENT POSITIONS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	
Last Survivor Benefit	215 ILCS 5/143(1)	The last survivor benefit payment requires disclosure on the face page of the policy that, "NO DEATH BENEFIT WILL BE PAID ON THE DEATH OF THE FIRST INSURED TO DIE". Failure to include such language would be ambiguous and misleading to the insured.	
Cash Value Settlements	215 ILCS 5/245.22 215 ILCS 5/143(1)	The policy must contain a prominent statement on the face page in bold face type or in contrasting color that cash values will either increase or decrease.	
Settlement Option	215 ILCS 5/143(1)	If there is a settlement option provision in the policy one option must be fixed.	
Separate Account Statement	215 ILCS 5/245.21(6) 215 ILCS 5/143(1)	The policy must contain a statement that the separate account cannot be changed without approval of the Insurance Department of the state of domicile of the insurer.	
Valuation of Assets	215 ILCS 5/143(1)	Assets of the separate account must be valued at least as often as any other variable policy benefit, and valuation must occur no less than on a monthly basis.	

Withdrawals	215 ILCS 5/143(1)	There must be a policy provision allowing the insured to make partial withdrawals.	
Dividends	215 ILCS 5/224 (1)(e)	Any policy issued on a participating basis must offer to pay dividend amounts in cash. Additionally, such a policy may offer the following options: a.) the amount of the dividend may be credited towards future premium payments; b.) the amount of the dividend may be applied to provide amounts of additional fixed or variable benefit life insurance; c.) the amount of the dividend may be deposited in the general account at a specified rate of interest, payable at maturity of the policy, or withdrawn on any anniversary date; d.) the amount of the dividend may be applied to provide paid-up amounts of fixed benefit one-year term insurance; or, e.) the amount of the dividend may be deposited as a variable deposit in a separate account.	
Modifications	215 ILCS 5/224(1)(c)	Only an officer of the company may modify the policy.	
Suicide Exclusion	215 ILCS 5/224 (1)(c) 50 IL Adm. Code 1405.40 f)	A suicide exclusion time frame may not exceed the incontestable period.	
Terminology	50 IL. Adm. Code 1405.40 g) 1)	Terminology such as "proof satisfactory to us" is not permitted.	
Lapse Terminology	215 ILCS 5/143(1)	Language such as "no lapse", "no lapse guarantee" or "death benefit guarantee" is permitted only if there is a statement, in close proximity to the provision, indicating that the guarantee does not mean the policy or contract would never lapse.	
Extended Maturity Date Rider	215 ILCS 5/143(1)	An extended maturity date coverage option is permitted for newly issued policies only if the language is contained in the policy or contract. The coverage may not be added as a rider. However, a rider may be used to add extended maturity date coverage to in-force policies.	
Actuarial Certification Requirement	215 ILCS 5/143(1)	Insurers must provide an actuarial certification that the extended maturity date option complies with Illinois valuation and non-forfeiture laws since certain mortality tables require the policy or contract become paid up at age 99. Once a policy becomes paid up no cost of insurance or any other fees may be charged, but interest must still be credited.	
Disclosure Requirement	215 ILCS 5/143(1)	A statement must be included in the policy, contract, or rider disclosing that there may be tax consequences associated with the extended maturity date option and the insured should consult with his/her tax advisor for further guidance. This statement must be in close proximity to the provision.	

Equity Indexed Product Actuarial Memorandum	215 ILCS 5/143(1)	Insurers must state in their actuarial memorandum that the reserving methodology is in compliance with Actuarial Guideline 36.	

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