

**Illinois Department of Insurance**  
**320 West Washington Street**  
**Review Requirements Checklist**  
**Springfield, IL 62767-0001**

**Accelerated Benefits for Covered Conditions**  
**Review Requirements Checklist**

215 ILCS 5/4 Class 1 (a) Life

Effective 6/04/24

**Acceleration for a Covered Condition is limited to the conditions, heart attack, stroke, coronary artery surgery, life threatening cancer, renal failure, Alzheimer's disease, paraplegia, major organ transplantation, total and permanent disability, as set forth in 215 ILCS 5/4 Class 1 (a) the occurrence of which may result in the payment of an accelerated benefit of up to 75% of the face amount of the policy.**

**Accelerated Benefits for Covered Conditions are regulated by 215 ILCS 5/4 Class 1 (a) Life and 50 IL Adm. 1407.**

**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.**

<b>FORM FILING REQUIREMENTS</b>	<b>REFERENCE</b>	<b>DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS</b>	<b>LOCATION OF STANDARD IN FILING</b>
Review Requirements Checklist	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.	
<b>GENERAL REQUIREMENTS FOR ALL FILINGS</b>	<b>REFERENCE</b>	<b>DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS</b>	<b>LOCATION OF STANDARD IN FILING</b>
Form Filing Requirements	50 IL Adm. Code 1407.30 b) 2)	Insurers must provide a list of the forms with which the accelerated benefit is to be used.	
Proper Descriptive Title	50 IL Adm. Code 1407.30 a) 1), 215 ILCS 5/4 Class 1 (a), 215 ILCS 5/143(1), 215 ILCS 5/401	The name of the benefit must be accurately descriptive, and the term "accelerated benefit" must be used in naming and describing the coverage.	
Renewability	50 IL Adm. Code 1407.30 a) 3)	The renewability and cost of an accelerated benefit must be guaranteed for the term of the policy or rider. This requirement is not applicable to coverage in which an insurer pays the present value of the life insurance face amount based on an applicable actuarial discount. <b>Not applicable to group insurance.</b>	

Actuarial Memorandum	50 IL Adm. Code 1407.30 b) 5)	Insurers must file an actuarial memorandum that describes the benefits, the risks, the expected costs, and calculation of the statutory reserves.	
	50 IL Adm. Code 1407.70 a)	Insurers must also maintain in their files a description of the bases and procedures used to calculate benefits payable. This material is subject to examination upon the request of the Division.	
Written Consent	50 IL Adm. Code 1407.40 b)	Before the benefit is paid, the insurer is required to obtain from an assignee or irrevocable beneficiary a signed acknowledgment agreeing to the payment. The insurer is required to file the letters or forms to be used in this process.	
Waiver of Premium	50 IL Adm. Code 1407.30 d)	Insurers may offer a waiver of premium for an accelerated benefit provision if there is no regular waiver of premium benefit then in effect.  At the time of claim, the insurer must explain any requirement regarding continued premium payments to keep the policy in force.	
Benefit Payment Requirements	50 IL Adm. Code 1407.40 (d)	<b>Benefits must be payable to the insured.</b>  <b>There may be no restrictions placed on the use of the proceeds.</b>	
Payment of Claims	50 IL Adm. Code 1407.40 c) and e)	The benefit shall not be made available as an annuity contingent upon the life of the insured.  If there is an accidental death benefit available, it may not be negatively impacted by the payment of the accelerated benefit.  <b>There must be an option to receive the benefit as a lump sum.</b>	
Cost Associated with Premium	50 IL Adm. Code 1407.50 a)	If premium is charged for the benefit, the insurer must provide the applicant with a generic illustration that indicates any effect of the payment of the benefit on the policy's cash value, accumulation account, death benefit, premium, policy loans and liens.  For <b>group insurance</b> the disclosure form must be contained as a part of the certificate, or any related document furnished by the insurer for the insured or certificate holder.	
Tax Consequences	50 IL Adm. Code 1407.50 c)	There must be a disclosure statement on the first page of the policy, rider and any other related documents indicating that the receipt of the benefit may be taxable, and assistance should be sought from a personal tax advisor.  The disclosure is required at the time of application and at the time the benefit is requested.	
ADMINISTRATIVE CODE PROVISIONS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
Disclosure of Benefit	50 IL Adm. Code 1407.50 b)  50 IL Adm. Code 1407.30 b) 4)	There must be a written disclosure that briefly describes the benefit and the conditions that trigger payment, as well as any effect on the payment of a benefit on the policy's cash value, accumulation account, death benefit, premium policy loans and liens.  For <b>group insurance</b> the disclosure form must be contained as a part of the certificate, or any related document furnished by the insurer for the insured or certificate holder.	

Effect of Benefit Payment	50 IL Adm. Code 1407.50 d)	<p>Insurers must send a written statement to the policyholder or certificateholder and any irrevocable beneficiary that explains any effect payment of the benefit will have on the policy's cash value, face value accumulation account, death benefit, premium, policy loans and liens.</p> <p>When an insurer agrees to accelerate benefits, it must issue an amended schedule page to the policyholder or notify the certificateholder under a group policy to reflect any new, reduced in-force face amount of the coverage.</p>	
Disclosure of Administrative Expense Charge	50 IL Adm. Code 1407.50 e)	Insurers must disclose any administrative expense charge. However, this charge may, in no event, exceed \$250.	
Required Medical Evidence	50 IL Adm. Code 1407.40 a)	<p>Insurers may require appropriate medical evidence of the covered condition prior to paying a benefit.</p> <p>Insurers may order a second medical opinion at their own expense. If the insured's physician and the insurer's physician disagree, a third physician, agreeable to both shall make the final determination.</p>	
Actuarial Standards	50 IL Adm. Code 1407.60	Insurers should review this section for required actuarial standards.	
Disclosure Requirements	50 IL Adm. Code 1407.50	The disclosure of written consent, premium cost, written disclosures, disclosure of tax consequences, and effects on the policy must be included with the filing as informational material.	
<b>GENERAL INFORMATION</b>	<b>REFERENCE</b>	<b>DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS</b>	<b>LOCATION OF STANDARD IN FILING</b>
Accelerated Benefit for Covered Condition	215 ILCS 5/4 Class1. (a) Life 50 IL Adm. Code 1407.20	<p>Acceleration for a Covered Condition is <b>limited to</b> the conditions, heart attack, stroke, coronary artery surgery, life threatening cancer, renal failure, Alzheimer's disease, paraplegia, major organ transplantation, total and permanent disability, as set forth in 215 ILCS 5/4 Class 1 (a).</p> <p>An accelerated benefit for a covered condition <b>may not exceed 75%</b> of the face amount of the policy.</p>	
Reduced Policy Values	50 IL Adm. Code 1407.30 b) 3)	If policy values are reduced following a payment, the insurer must provide the Division with an actuarial explanation of the reduction and any remaining premium. The explanation must include the expected costs and calculation of the statutory reserves that comply with applicable valuation and nonforfeiture statutes.	
Discrimination	50 IL Adm. Code 1407.30 e)	Insurers may not unfairly discriminate among insureds with different qualifying events covered under the policy, nor may they apply additional conditions for the payment of benefits beyond those conditions specified in the policy or rider.	
Policy Reserves	50 IL Adm. Code 1407.70 b)	When benefits are provided policy reserves must be determined according to 215 ILCS 5/223.	
Waiting Period	50 IL Adm. Code 1407.30 c)	The accelerated benefit provision shall be effective for accidents on the effective date of the policy or rider. The accelerated benefit provision shall be effective for illness no more than 30 days following the effective date of the policy or rider.	

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.	
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 lawful travel experiences.	
<b>DEPARTMENT POSITIONS</b>	<b>REFERENCE</b>	<b>DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS</b>	<b>LOCATION OF STANDARD IN FILING</b>
No Reduction of Age Due to Payment of Benefit	215 ILCS 5/143(1)	A group contract containing a provision that reduces the benefit at a certain age may not contain an additional provision reducing the age due to payment of an accelerated benefit.	
Discretionary Authority	215 ILCS 5/143(1) 215 ILCS 5/401	Discretionary authority is not permitted in life insurance forms. If a difference of opinion occurs between the insured's physician and that of the insurer, a third opinion, agreeable to both the insured and the insurer must be obtained, and that opinion will be final.	
Aggregate Limits	215 ILCS 5/224(1)(c) 215 ILCS 5/401 50 IL Adm. Code 1405.40(e)	Life insurance policy forms may not contain aggregate limit provisions.	
Accident and Health Language not Permitted	215 ILCS 5/143(1) 215 ILCS 5/401 50 IL Adm. Code 1407.30(c)	The terms "preexisting", "first occurrence or diagnosis" and " first manifested", are considered accident and health terms and are not permitted in life policy forms.	

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