

Department of Consumer & Business Services
Oregon Division of Financial Regulation – 5

P. O. Box 14480
Salem, Oregon 97309-0405
Phone (503) 947-7983

TRANSMITTAL AND STANDARDS
Establishing an Association, Union Trust, Trust, or
Discretionary Group
As a Qualified Group Life Policyholder

Department Action:

- Disapproved as incomplete
 Approved; Limitations _____

 Withdrawn
 Disapproved; Reason _____

Action Date: _____

Effective Date: _____

Analyst: _____

Filing No: _____

DFR Group # _____

Section I: TRANSMITTAL - General Information

Date: _____ NAIC no.: _____

Admitted Insurer name: _____

Filing entity (if not insurer): _____

If not the insurer, a letter of 3rd party authorization must be included in the filing.

Filing questions, contact person: _____

Title: _____

Mailing address: _____
Street

_____ City

_____ State

_____ ZIP

Toll-free/collect phone no.: _____

Fax no.: _____

E-mail address: _____

State the name and mailing address of the association, union trustee, trust or discretionary entity as it appears on the legal document: _____

Address: _____

State of situs for association, union trust, or trust: _____

General information: Associations, union trust, trusts, and discretionary groups (entities) proposing to do insurance business as policyholders of group life or annuity insurance must file the entity's qualifications and applicable documents as listed below. An insurer filing a discretionary group that does not qualify for the ORS 731.146(2)(b) exemption may file requesting a reciprocal status to issue forms approved by another state under ORS 731.486(6) (See Section III C).

If you are requesting the exemption in ORS 731.146(2)(b), per ORS 731.486(1), the filer must demonstrate the items below:

Confirm

- The master policy was validly issued to cover a group organized primarily for purposes other than the procurement of insurance;
 Was delivered in and pursuant to the laws of another state in which the insurer was authorized to do an insurance business; and
 Was delivered in and pursuant to the laws of another state in which the policyholder is domiciled or otherwise has a bonafide situs.

In addition, if the master policy is issued outside of this state to trustees of a fund for two or more employers, for one or more labor unions, for one or more employers and one or more labor unions or for an association, the insurer must also submit evidence showing compliance with ORS 743.354.

An entity that does not meet either exemption in ORS 731.146(2)(b) or ORS 731.486(6) may file for approval as a policyholder by showing compliance with all applicable statutes and including all of the required documents.

If there are no Oregon certificate holders and there are no plans to market this product in Oregon then do not submit this filing to Oregon.

- List the type of coverage you intend to issue to this group: _____
- Who are the members and what makes them eligible? _____
- Provide the Membership requirements: _____
- How many Oregon certificate holders are receiving benefits under this entity? _____
- How many Oregon lives are currently insured through this Association or Trust? _____
- If filing as a trust, who established the trust? _____
- Is there a joiner amendment(s)? _____
- Who are they for? (Please include with the bylaws) _____
- Is the association/trust comprised of individuals, groups, or both? _____

List form numbers of all policies, certificates, application endorsements, and any other forms to be issued to the group:

Form number	Product or form type	Negotiated (Y/N) If no, provide the State Filing number in which the forms were approved in next column (ORS 742.003(1))	State filing number

Include and complete only the section that applies to your filing.

Section II: PRODUCT STANDARDS

A. Associations, Union Trusts, and Trusts

Filing instructions:

This checklist must be submitted with each filing section of this form. Select the section that represents how you want the filing reviewed.

<input type="checkbox"/> Association	<input type="checkbox"/> Union Trust	<input type="checkbox"/> Trust
<input type="checkbox"/> In State		
<input type="checkbox"/> Out of State non-exempt		
<input type="checkbox"/> Out of State exempt, ORS 731.146(2)(b)		

In a cover letter or actuarial memorandum, include explanations as requested in the requirements. Submit two sets of the entire filing and one large, self-addressed stamped envelope with mailed filings. An authorized person must sign the certificate of compliance and all relevant filing information must be included.

Filings must include:

- a.) *An explanation of whether the forms are negotiated (Policy, Certificate and/or riders).*
- b.) *An explanation of the custom benefits and/or administrative options that are not filed due to the filing exemption allowance for negotiated forms.*

B. Discretionary Group

Filing instructions:

This checklist must be submitted with each filing and retained as directed in the Self-Certification section of this form.

Discretionary Group
<input type="checkbox"/> Out of State reciprocal ORS 731.486(6) & ORS 743.360
<input type="checkbox"/> In state or out of state non-exempt (includes all <i>discretionary groups</i>) ORS 743.360

In a cover letter or actuarial memorandum, include explanations as requested in the requirements. Submit two sets of the entire filing and one large, self-addressed stamped envelope with mailed filings (not applicable to the Self-Certification). An authorized person must sign the certificate of compliance and all relevant filing information must be included.

Filings must include:

- a.) *An explanation of whether the forms are negotiated (Policy, Certificate and/or riders)*
- b.) *An explanation of the custom benefits and/or administrative options that are not filed due to the filing exemption allowance for negotiated forms.*

Section III: ASSOCIATION, UNION TRUST OR TRUST.

A. Filing Out-of-State Exempt

Yes N/A

(1) Association – A statement is included certifying that the association meets the requirements for group life listed in ORS 731.486(1) and 743.351(1), and the group is a single association of individual members established for purposes other than obtaining insurance.

or

(2) Trust – A statement is included certifying the trust is not controlled by the insurer, that it meets the requirements listed in ORS 731.486(1) & (2) and ORS 743.354 for group life insurance, and that it was established for purposes other than obtaining insurance.

Yes

(3) Copies of the association’s bylaws and/or constitution or the trust document are included. Documents must provide evidence of the following. See ORS 731.486(1), ORS 743.354 and ORS 743.351. Where prompted, enter title page/section of bylaws and/or constitution or trust document information below.

(a) Definition of members making up the entity as having a common relationship or interest. ORS 743.303(1)

Multiple associations, multiple group mortgage trusts, banks, and savings associations do not qualify.

Title of Document: _____

Page #: _____

(b) Statement of purpose of the entity.

Title of Document: _____

Page #: _____

(c) If an association, the entity has regular meetings and members have voting rights.

Title of Document: _____

Page #: _____

Yes N/A

(4) Evidence that the policy was delivered in accordance with the laws of the situs state. ORS 731.146(2)(b)

Yes N/A

(5) Filing includes a statement that marketing, solicitation and participation materials disclose the situs state that regulates the coverage and that the information is in compliance with sales practices under ORS 731.484.

B. Filing In-State or Out-of-State Non-Exempt (Reciprocal) Approval

Yes N/A

- (1) Association – A statement is included certifying that the association meets the requirements for group life listed in ORS 731.486(1) and ORS 743.351(1), and the group is a single association of individual members maintained for purposes *other* than obtaining insurance.

or

- (2) Trust – A statement is included certifying the trust is not controlled by the insurer, that it meets the requirements listed in ORS 731.486(1) & (2) and ORS 743.354 for group life insurance.

Yes

- (3) Copies of the association bylaws and/or constitution or the trust are included. See ORS 743.354 and ORS 743.351.
- (a) Defines the common relationship and interest of members. ORS 743.303(1)
Title of Document: _____
Page #: _____
- (b) The association is a single association of individual members.
Title of Document: _____
Page #: _____
- (c) The document provides that any changes are filed with the Oregon Division of Financial Regulation, ORS 743.351 (3) and ORS 743.354(5).
Title of Document: _____
Page #: _____
- (d) The life insurance is issued to a trust, the trust must have at least two lives insured on the date the policy was issued. ORS 743.302(2)
Title of Document: _____
Page #: _____

Yes N/A

- (4) A statement is included that certifies that all policies, applications, and other forms issued to the group are approved by the Oregon Division of Financial Regulation. All coverages and benefits of the group life policies are in compliance with ORS chapters 742 and 743 and associated administrative rules.

Yes N/A

- (5) If new policies are filed for this group, the form requirements are included with this transmittal for review and approval. See the form filing requirements under the applicable product on our Web site. *(If an approved policy, application, or form has been modified to accommodate this group and the changes are within the variable brackets previously approved, the forms do not need to be filed.)*

Yes N/A

- (6) Include a statement that marketing, solicitation and participation materials are in compliance with sales practices under ORS 742.009.

C. Discretionary Group - Out of State reciprocal

If applying for **reciprocal approval** under ORS 731.486(6), include the applicable documents listed below.

Yes

- (1) Filing includes a copy of the laws, which are substantially similar to ORS 743.360 where the policy is delivered.

Yes

- (2) The filing includes a side by side comparison of ORS 743.360 with the situs state's laws. Situs State must have laws that are substantially similar to Oregon's laws on the following points:
- The issuance of the policy is in the best interest of the public;
 - The issuance of the policy would result in economies of acquisition of administration;
 - The benefits are reasonable in relation to the premiums charged;
 - The premium for the policy is paid either from funds of a policyholder, from funds contributed by a covered person, or both; and
 - An insurer has the discretion to exclude or limit coverage for a voluntary plan on any person for whom evidence of individual insurability is not satisfactory to the insurer

Yes

- (3) The filing includes proof of situs (domiciliary) state's approval. The proof includes verification that **all forms issued** to the policy or certificate holders have been approved. Documentation must include form numbers and title of documents.

Yes

- (4) The filing includes a copy of the situs state's approval as a discretionary group.

Yes

- (5) The filing includes policy forms and proof of situs (domiciliary) state's approvals of all forms issued to the policy or certificate holder(s).

Note: New forms issued to the policy holder must be filed and approved by the Division before issue or must be filed with the situs state's approvals.

D. Discretionary Group - Out of state exempt ORS 731.146 (2)(b)

Yes

- (1) Filing includes verification of how issuing a group insurance policy to the discretionary group is in the best interest of the public and does not violate ORS 742.005 and ORS 743.360.

To meet this requirement, provide the following:

To support the discretionary group issuance is in the best interest of the public. (Public is not limited to members of the discretionary group)ORS 743.360

(page/section)

- _____ (A) Document explains the purpose for organizing the members. If the document does not clearly explain the purpose, it provides an explanation in the cover letter.
- _____ (B) Qualifications for eligible members are defined. Qualification must comply with Oregon law. (*Membership of other entities is not permitted since each entity would have to be reviewed for compliance with Oregon law.*)
- _____ (C) The document provides for replacement of the master policy or continuation of the certificate as an individual policy if there is loss of coverage.
- _____ (D) The document includes a statement explaining how the premiums are paid and who submits the payments to the insurer.
- (1.) A licensee in the state of Oregon administers marketing and claims handling.
 - (2.) Advertising materials must be filed, including information regarding any inducements to participate. If not available at time of filing, submit prior to use. ORS 746.035 and ORS 742.009
 - (3.) A description of the targeted market, your company's marketing approach, the licensed entities through which the group will be solicited, and the availability of consumer service.
 - (4.) A copy of the disclosure provided to the applicant that identifies the policyholder and the authority of the policyholder to make changes, gives notification of changes to the participants, and states the consent of the participant is not required for the policyholder to make changes with proper notification to the policy holders.

Yes

- (2) Filing includes documentation supporting economies of acquisition or administration resulting from such a group policy. ORS 743.360(1)(a)(B)

Include the following:

- (a) An explanation of cost savings, such as providing the economies of larger groupings, marketing costs and commissions structure.

Yes

- (3) Filing includes a demonstration showing that benefits are reasonable in relation to the premiums charged. ORS 743.360(1)(a)(C) and 746.005(6) and (7)

Life:

To meet this requirement for life coverages, attach Appendix C, or any substantially similar support, and include an actuarial memorandum explaining the following:

- (a) Assumptions and sources of the data.
- (b) Information about new or experimental benefits and features.
- (c) Effects of the group's characteristics on these projections.
- (d) Any influences that could affect the reliability of these projections.

Annuities:

To meet this requirement for annuities, include an actuarial memorandum illustrating the following:

- (a) A description of the policy expenses, including mortality and expense charges, annual fees, transfer fees, any other charges against the policy values, and interest-crediting methodology in relation to comparable policies.
- (b) Hypothetical rate of return showing all costs charged against the policy assuming the premium pattern or using a \$1,000 annual payment. Or, compare the effective rate of return on this policy with your conventional alternative policies where the effective rate-of-return percentage is based on gross premiums and guaranteed minimum surrender values, assuming the premium pattern or using a \$1,000 annual payment.

Yes N/A

(4) Entities applying for **life or annuity** coverage must submit the following:

- (a) If underwriting life coverage to qualify for a voluntary plan, a description of the underwriting method or standards that includes the criteria when evidence of individual insurability is not satisfactory to the insurer. Explanation must reference and correspond with the application filed with the policy. ORS 743.360(1)(c)
- (b) Trusts established by an insurer for the conversion of term life insurance for a terminated employee from an employer group, issued by the same insurer, meet the requirements under Item (1) when the coverage provided is not a coverage required to be offered for individual conversion under ORS 743.333 and ORS 743.336. Disclosure to the applicant includes an explanation of any differences in benefit from the employer's coverage and this policy.

Yes N/A

(5) A statement certifying that all policies, applications, and other forms issued to the group are approved by the Oregon Division of Financial Regulation. All coverages and benefits of the group life policy are in compliance with Oregon Revised Statutes and Oregon Administrative Rules.

Yes N/A

(6) If new policies are filed for this group, the form Product Standards are included with this transmittal for review and approval by the Oregon Division of Financial Regulation. *(See the form filing requirements under the applicable product on our Web site. If an approved policy, application, or form has been modified to accommodate this group and the changes are within the variable brackets **previously approved**, the forms do not need to be filed.)*