

March 1, 2007

To: All Companies Licensed to Write Class 1 Clause (a), Life Insurance & Annuities

From: Michael T. McRaith, Director

Re: (CB 2007-01) Efficiency Changes in the Filing Process for Life Insurance and Annuity Policy Form Submissions

This Bulletin is directed to all insurance companies licensed to write life insurance and annuity contracts in Illinois. The Division of Insurance has reviewed and analyzed existing policy form filing requirements under Illinois law, specifically 215 ILCS 5/143, as well as the Division's filing procedures, and has assessed alternative ways in which the Division can continue to emphasize protection of Illinois consumers while increasing the efficiency in processing such filings.

Accordingly, as part of the Division's continuing emphasis on consumer protection and improving "speed to market" for life and annuity products, companies may now choose an optional certification filing procedure (the "Certification Process"). For life and annuity rate and form filings only, the Certification Process will allow insurers to introduce products to market more quickly but will not impair consumer protections.

Effective March 1, 2007, the Division will allow the marketing of life insurance and annuity forms upon filing if accompanied by properly completed and executed officer's Certification of Compliance and Actuarial Certifications, as detailed below, along with certification of compliance and completion of any applicable consumer protection checklists. Such policy form submissions must also comply with all relevant substantive and procedural requirements, including the consumer protection checklists accessible on the Division's website at http://www.idfpr.com/DOI/LAH_HMO_IS3_Checklists/IS3_Checklists.asp.

Submissions pursuant to the Certification Process are subject to the following:

1. The Certification Process does not change an insurer's responsibility to comply with the Insurance Code and Division regulations. Failure to comply with all applicable provisions of the Code will subject an insurer to penalties ranging from suspension of authority to utilize the new filing procedure, discontinuation of authority for continued use of the form(s), examination, monetary penalties, or limitation or revocation of its certificate of authority. The Director will impose all appropriate regulatory action to protect consumers and ensure continued compliance with all Code requirements.

2. Submissions must be accompanied by a Certification of Compliance (see Exhibit A) and an Actuarial Certification (see Exhibit B). The Certifications ensure that the policy submissions have been developed and reviewed for compliance with applicable Illinois revised statutes and regulations (50 IL Adm. Code) and the Division's consumer protection checklists.
3. For any submission made under the Certification Process, the appropriate and current consumer protection product checklist, available on the Division's website at http://www.idfpr.com/DOI/LAH_HMO_IS3_Checklists/IS3_Checklists.asp, must be completed and filed with the submission and copies must be maintained in the company's files for inspection by the Director, or his representatives, at the Director's discretion.
4. Submission cover letters should include a detailed explanation of the new product submitted or revisions to previously approved forms. Innovative or unique products or product features should be identified and explained. If the submission is a revision to a previously approved form, the revisions should be highlighted or otherwise clearly indicated.
5. The Director will randomly audit companies' use of the Certification Process to assure that the companies adhere to requirements under this Bulletin and that submitted forms comply with Illinois insurance laws and regulations.
6. The Division may, where appropriate, require prior approval of the policy forms in instances where the Director has determined it appropriate for the protection of policyholders and in the public good.
7. Submissions made pursuant to the Certification Process must include the certification in PDF format. The certifications and consumer protection checklist must be combined in a PDF document. The PDF document name must begin with "**CB 2007-01 CERTIFICATION.**" No other material may be included in the Certification Process PDF document.
8. Forms submitted under this Certification Process may not be marketed until the company receives notice from the Division of Insurance indicating that the filing has been received and entered in the Division's filing system.
9. Filings made under this Certification Process may not be changed or altered except at the request of the Division of Insurance. Any changes or additions not requested by the Division of Insurance will constitute a violation of this Bulletin and will result in penalties as cited in Item 1 above. To effect changes or additions not requested by the Division of Insurance, the filing must be withdrawn and resubmitted in a new filing with the proper certifications and consumer protection checklists. A business practice of repeated or regular withdrawals of certified filings may comprise a violation of the Insurance Code.

Exhibit A

State of Illinois

Certification of Compliance

Company: _____

Form Number(s): _____

Form Title(s): _____

I, _____, am a duly authorized officer of the above insurer, and do hereby certify that I am knowledgeable as to the current laws, regulations, checklists, and bulletins applicable to the policy form(s) identified above that is (are) the subject of this filing (hereafter "the policy forms"), and that the policy forms are in compliance with such laws and regulations. I further certify that this submission is complete and contains all materials required by applicable laws, checklists, and bulletins.

I understand that the Insurance Division will rely on this certification in approving the policy forms listed above, and should it subsequently be determined that the policy forms listed above do not comply with the applicable laws, regulations, checklists, and bulletins or that this certification is materially false or incorrect, corrective and disciplinary action, including retroactive disapproval, as authorized by law, may be taken by the Division against the company and the officer that completed this certification.

Signature of Corporate Officer: _____

Signature of Company Compliance Officer: _____

Name (typed or printed): _____

Title: _____ **Direct Telephone Number:** _____

Date: _____

(This certification does not change an insurer's responsibility to comply with the Insurance Code. Failure to comply with all applicable provisions of the Code will cause an insurer to be subject to penalties ranging from suspension of authority to utilize the expedited process, discontinuation of authority to use of the form(s), examination, monetary penalties, or limitation or revocation of their certificate of authority. Insurers should be aware that the assignment of such penalties will be liberal to ensure continued compliance with all Code requirements.)

Exhibit B

State of Illinois

Actuarial Certification

Company: _____

Submission: _____

Form Number(s): _____

I hereby certify that the above submission conforms to generally accepted actuarial principles, standards and guidelines, that the reserves, including a test for deficiency reserves, and non-forfeiture benefits, if applicable, comply with all states, rules and regulations of the state of Illinois, and that premiums, if any, are not excessive, inadequate, unfairly discriminatory, or unreasonable in relation to benefits provided.

Signature of qualified actuary: _____

Name (typed or printed): _____

Title: _____

Direct Telephone Number: _____

Date: _____

(This certification does not change an insurer's responsibility to comply with the Insurance Code. Failure to comply with all applicable provisions of the Code will cause an insurer to be subject to penalties ranging from suspension of authority to utilize the expedited process, discontinuation of authority to use the rate, examination, monetary penalties, or limitation or revocation of their certificate of authority. Insurers should be aware that the assignment of such penalties will be liberal to ensure continued compliance with all Code requirements.)