

TITLE 50: INSURANCE
PART 1407 ACCELERATED LIFE BENEFIT/TERMINAL ILLNESS/QUALIFIED CONDITIONS
CHAPTER I: DEPARTMENT OF INSURANCE

Section 1407.50 Required Disclosure Provisions

Solicitations:

d) Effect of the Benefit Payment. When a policyowner or certificateholder requests an acceleration, the insurer shall send a written statement to the policyowner or certificateholder and any irrevocable beneficiary which demonstrates any effect that the payment of the accelerated benefit will have on the policy's cash value, face value accumulation account, death benefit, premium, policy loans and policy liens. The statement shall disclose that receipt of accelerated benefit payments may adversely affect the recipient's eligibility for Medicaid or other government benefits or entitlements. In addition, receipt of an accelerated benefit payment may be taxable and assistance should be sought from a personal tax advisor. When a previous disclosure statement becomes invalid as a result of an acceleration of the death benefit, the insurer shall send a revised disclosure statement to the policyowner or certificateholder and irrevocable beneficiary. When the insurer agrees to accelerate death benefits, the insurer shall 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 contract.