



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

BULLETIN S-15
JUNE 4, 2014

TO: ALL INSURANCE COMPANIES AND FRATERNAL BENEFIT SOCIETIES THAT DELIVER OR ISSUE LIFE INSURANCE POLICIES IN CONNECTICUT

RE: TELEPHONIC APPLICATIONS

Public Act 14-108 requires insurers that issue individual life insurance policies on or after January 1, 2015 to notify applicants in writing at the time of application of the right to designate a third party to receive notice of cancellations of the policy due to nonpayment of premium. The applicant may make such designation at the time of application or at any time the policy is in force by submitting a written notice to the insurer containing the name and address of the third-party designee. Carriers have requested clarification on how this requirement will be interpreted with regard to telephonic applications.

General requirements for telephonic applications are as follows. These requirements apply to both group and individual insurance policies.

- The individual taking the application must be a licensed producer.
- The application including any worksheets or supplemental questions used in the application process must be filed for review even if not ultimately part of the contract. Only those documents that become part of the contract are subject to prior approval.
- The completed application must be delivered for review and signature prior to the delivery of the contract.
- The application must include disclosure that completed application should be reviewed carefully. Any material misrepresentation contained in the application could be used to rescind the policy, even if it was not an intentional misrepresentation. The following disclosure must be directly above the signature:

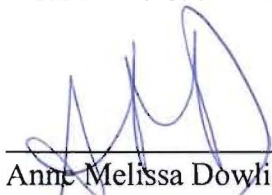
“REVIEW THE ANSWERS ON THIS APPLICATION CAREFULLY. IF ANY OF YOUR ANSWERS ARE INCORRECT OR UNTRUE, EVEN IF UNINTENTIONAL, THE COMPANY MAY HAVE THE RIGHT TO DENY BENEFITS OR RESCIND YOUR COVERAGE IF THE MISREPRESENTATION IS DEEMED TO BE MATERIAL.”

- The company must certify that all of the above requirements are in place and will be followed. Such certification should be included with the form filing and submitted on SERFF. Approval will be conditioned on such procedures being followed.

Consistent with the requirement that the completed application must be delivered for review and signature prior to the delivery of the contract, the Insurance Department will deem that the notice requirement in Public Act 14-108 has been met if such written notice is provided with the delivery of the application.

Questions

Please contact the Insurance Department Life and Health Division at cid.lh@ct.gov with any questions.



Anne Melissa Dowling
Deputy Insurance Commissioner