

# ABR Rules and Eligibility

## Overview

The first Accelerated Benefits Rider (ABR) was introduced back in 1991 for National Life. Since then we have introduced several ABR's over the years which cover different types of illnesses. These riders provide the option of receiving a portion of the policy death benefit on a discounted basis, while the insured is still living.

## About This Topic

### Guidelines

- Policy forms have to file the riders either with each individual state or sometimes they file with the compact to get state approval. The compact refers to states that are part of a group. Not all states are part of the compact.
- On our administrative systems, each ABR is represented by a number or letter code (ABR version) which can be different depending on whether the policy is NL or LSW. This document includes a chart of the ABR Versions for NL and a chart for LSW.
- Underwriting approval is required if the ABR being requested covers critical illness, critical injury, or chronic illness.

### Eligibility

Click the link below to expand ABR version and eligibility charts for NL and LSW products.

ABR Versions...

### National Life ABR Versions

ABR No. or Letter	Use if State is...	Type of ABR	States Not Approved and Special Notes	Initial Promote Date
<b>3</b>  See page 9	CA  NY (at issue only)  <b>see 9 &amp; B for other states</b>	Critical Illness (old)  <b>See ABR 9 or B for new Critical Illness for other states</b>	CT, NJ – not approved  <b>NY: not available after issue until a mailing has been done to eligible policyholders.</b>	4/20/2004 for Trad Life.  2011 for VTG.

<b>4</b>	Any except KS, LA, MD, MN, UT, WA  OR	Terminal	CT, IL, MA, NJ, VA – only use ABR 4 if they cannot have ABR B and C because they were declined for critical illness/injury.	2000
<b>5</b>	Any, if approved.  See next row for 7 special states	Chronic	NY – not approved. See ABR 7 for NY.  See CA Special Rules section	2000
<b>5</b>  See pages 9, 18 - 20	KS, LA, MD, MN, UT, WA  OR.	Terminal &  Chronic	Only available for KS, LA, MD, MN, UT, WA, OR	11/15/2010
<b>7</b>  See page 15	NY	Chronic II  Also known as NY Chronic	Only available for NY  *Not available after issue until a mailing has been done to NY policyholders.	2009 for VTG.  01/13/2012 for Trad life
<b>8</b>  See pages 9, 21, 22.	IL, NJ	Terminal & Critical Illness  *No longer available. See ABR B	Only available for IL and NJ	05/18/2014
<b>9</b>  See pages 9 - 11	Any state not listed in the not approved column	Critical Illness – enhanced to cover more health conditions.	For CT, IL, KS, MA, MD, MN, NJ, VA, WA refer to ABR B  CA, NY - not approved	4/20/2015
<b>A</b>  See pages 9 - 11	Any state not listed in the not approved column	Critical Injury	For CT, IL, KS, MA, MD, MN, NJ, VA, WA refer to ABR C.  NY - not approved	4/20/2015

<b>B</b>  See pages 9, 12-14	CT, IL, KS, MA, MD, MN, NJ, VA, WA	Terminal/Critical Illness (enhanced)	Only available for CT, IL, KS, MA, MD, MN, NJ, VA, WA	8/31/2015
<b>C</b>  See pages 9, 12-14	CT, IL, KS, MA, MD, MN, NJ, VA, WA	Terminal/Critical Injury	Only available for CT, IL, KS, MA, MD, MN, NJ, VA, WA	8/31/2015

Earlier NL ABR versions listed below are used for older products (see bottom of next page) that are not eligible for the ABR's currently being offered.

- ABR 1: introduced in 1991. This ABR covered terminal illness.
- ABR 2: introduced in 1997. For whole life and universal life this covers terminal and chronic illness (except IL, KS, ND only covers terminal).  
For term insurance, it covers terminal illness (except MN which has separate rider pages for terminal and chronic).

## National Life Eligible Products

<b>ABR No. or Letter</b>	<b>Vantage Eligible NL Products</b>  (For products with multiple series, all are eligible unless stated otherwise)	<b>Trad Life Eligible NL Products</b>  (Issue Date or Series Restrictions indicated below)
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<p>3,8,9,A, B,C</p>	<p>FlexLife, FlexLife 2019 LifeCycle Solution (after 1<sup>st</sup> death) FlexLife II PeakLife, PeakLife 2019</p>	<p>Apex III DOI &gt; 2003 (<b>not eligible if NY</b>)   Advantage DOI &gt; 2003 (<b>not eligible if NY</b>)   Advtg Gold DOI &gt; 2003 (<b>not eligible if NY</b>)   CR Select DOI &gt; 2003 (<b>not eligible if NY</b>)   LifeCare DOI &gt; 2003 (<b>not eligible if NY</b>)   Summit   LifeBuilder   ValuGuard 2012 series (after 1<sup>st</sup> death)   NL Term DOI &gt; 09/23/2012 (excluding ART if series year prior to 2018)   ART 2018 and &gt;series   TotalSecure</p>
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4&5	Navitrak Vartitrak NLG 120 Ultra EIUL Ultra Select AssurePlus Investor Select FlexLife, FlexLife 2019 LifeCycle Solution (after 1 <sup>st</sup> death) FlexLife II PeakLife, PeakLife 2019	Apex III Advantage Advantage Gold GPL CR Select Asset Builder LifeCare Summit LifeBuilder ValuGuard 2012 series (after 1 <sup>st</sup> death) NL Term 1998 and > series NL ART 2002 and > series TotalSecure
7	AssurePlus Ultra Select FlexLife, FlexLife 2019 LifeCycle Solution (after 1 <sup>st</sup> death) FlexLife II PeakLife, PeakLife 2019	Not available to add after issue for any Trad Life products.

For older products not eligible for our current ABR's, check below to see if they may be eligible for an earlier ABR.

- ABR 1: Apex II, Ascent, EL-10, Pentra-NGI, Valu II, PACE, Life@65.

- ABR 2: Vantage products: Uniflex, old Ultra, old Paragon.
- Trad Life products: Apex II, Ascent, EL-10, Pentra-NGI, Valu II, PACE, Life@65.

States that did NOT approve ABR 2: CT, MA, MD, OR, PA, TX, VA.

Plan Structure File is marked not approved for all states since ABR 2 is not available on new issues. Starting 4/20/2015, the state approval edit on the ABRC screen is overrideable to help with situations where we need to add ABR 2 to an older eligible product and the state had approved.

Carefully check the rider pages generated as they may not be correct. User memo “UmABR97” has the rider form numbers.

## LSW ABR Versions

ABR No. or Letter	Use if State is...	Type of ABR	States Not Approved and Special Notes	Initial Promote Date
<b>1</b>	Any except KS, LA, MD, MN, UT, WA  OR	Terminal	NY – not available for LSW  CT, IL, MA, NJ, VA – only use ABR 1 if they cannot have ABR B and C because they were declined for critical illness/injury.	1998
<b>2</b>	Any, if approved.  See next row for 7 special states	Chronic	NY – not available for LSW  See CA Special Rules section	1998
<b>2</b>  See pages 9, 18 - 20	KS, LA, MD, MN, UT, WA, OR.	Terminal & Chronic	Only available for KS, LA, MD, MN, UT, WA, OR	11/15/2010

<b>3</b> See page 9	CA  Available in other states only for SecurePlus Life.	Critical Illness (old)  *See ABR 9 or B for new Critical Illness for other states, unless the product is SecurePlus Life.	CT, NJ – not approved  NY – not available for LSW	2003
<b>8</b> See pages 9, 21, 22	NJ	Terminal & Critical Illness  *No longer available. See ABR B	Only available for NJ.	05/18/2014
<b>9</b> See pages 9-11	Any state not listed in the not approved column	Critical Illness – enhanced to cover more health conditions.	NY – not available for LSW.  CA - not approved  For CT, IL, KS, MA, MD, MN, NJ, VA, WA refer to ABR B.	4/20/2015
<b>A</b> See pages 9-11	Any state not listed in the not approved column	Critical Injury	NY – not available for LSW.  For CT, IL, KS, MA, MD, MN, NJ, VA, WA refer to ABR C.	4/20/2015
<b>B</b> See pages 9, 12-14	CT, IL, KS, MA, MD, MN, NJ, VA, WA	Terminal/Critical Illness (enhanced)	Only available for CT, IL, KS, MA, MD, MN, NJ, VA, WA	8/31/2015
<b>C</b> See pages 9, 12-14	CT, IL, KS, MA, MD, MN, NJ, VA, WA	Terminal/Critical Injury	Only available for CT, IL, KS, MA, MD, MN, NJ, VA, WA	8/31

## LSW Eligible Products

ABR No. or Letter	<b>Vantage Eligible LSW Products</b> For Vantage products with multiple series, all are eligible unless stated otherwise.	<b>Trad Life Eligible LSW Products</b> <b>Note:</b> Issue Date or Series Restrictions indicated below
1&2	SecurePlus Life  Harbor  Horizon  Foundation  Income Builder  SecurePlus Provider, SecurePlus Provider HPR,  SecurePlus Paragon  SecurePlus Advantage 79  FlexLife, FlexLife 2019  LifeCycle Solution (after 1 <sup>st</sup> death)  Living Life, Living Life BD  FlexLife II  PeakLife, PeakLife 2019	LSW Term  ProtectorLife  ART  TotalSecure



3	SecurePlus Life (not eligible for 8,9,A,B,C).	
	Harbor	
	Horizon	
	Foundation	
	Income Builder	LSW Term DOI > 12/31/2011
	SecurePlus Provider (including HPR)	ProtectorLife
	SecurePlus Paragon	ART (CA state)
	SecurePlus Advantage 79	TotalSecure (CA state)
	FlexLife, FlexLife 2019	
	LifeCycle Solution (after 1 <sup>st</sup> death)	
	Living Life, Living Life BD (CA state)	
	FlexLife II (CA state)	
	PeakLife, PeakLife 2019 (CA state)	

8,9,A, B,C	Harbor	
	Horizon	
	Foundation	
	Income Builder	
	SecurePlus Provider (including HPR)	LSW Term DOI > 12/31/2011
	SecurePlus Paragon	ProtectorLife
	SecurePlus Advantage 79	ART
	FlexLife, FlexLife 2019	TotalSecure
	LifeCycle Solution (after 1 <sup>st</sup> death)	
	Living Life, Living Life BD	
	FlexLife II	
	PeakLife, PeakLife 2019	

## User Memos

There are user memos created by the Policy Forms area for the different ABR versions in O:\law\SHARED. Then choose a folder depending on whether you want NL or LSW:

- LSW is LEAPOLICYFORMS
- NL is POLICY FORMS, then go into the User Memos folder.

## Disclosure Forms

The owner needs to complete and sign ABR disclosure form(s) for the ABR's being requested. A majority of the states use one of the forms listed below. **States that do NOT use the regular or compact disclosure forms are: CA, LA, NY, OR, TX, UT.**

For a complete list of disclosure forms for all states, refer to the Policy form's disclosure chart located in your shared drive in the folder "ABR FOLDER 2012". Note there are separate tabs for NL and LSW.

**Regular combined disclosure forms:**

- NL = 20295 (state specials exist) – replaces 9747 if state has approved.
- LSW = 20294 (state specials exist) - replaces 8083 if state has approved.

Introduced 4/20/2015, these combined disclosure forms cover terminal, chronic, critical illness and critical injury.

**Compact disclosure forms for CT, IL, KS, MA, MD, MN, NJ, VA, WA:**

- NL = ICC15-20313(0115)
- LSW = ICC15-20314(0115)

Introduced 8/31/2015 for compact versions: ABR B and C. These disclosure forms cover terminal, critical illness and critical injury.

**IMPORTANT:** A separate disclosure form is needed for Chronic.

Chronic disclosure form numbers for **CT, IL, KS, MA, MD, MN, NJ, VA, WA** are below:

State	NL	LSW
CT	9747CT(0717)	8208CT(0717)
IL	9747IL(1113)	8083IL(0615)
KS	ICC10-8848(0310)	ICC10-8849(0310)
MA	9747MA(0715)	8083MA(0715)
MD	ICC10-8848(0310)	ICC10-8849(0310)
MN	ICC10-8848(0310)	ICC10-8849(0310)
NJ	9747NJ(0615)	8083NJ(0615)
VA	9747VA(1216)	8208VA(1216)
WA	ICC10-8848(0310)	ICC10-8849(0310)

## Pension Plan Availability

Do **not** add ABR after issue to pension policies. On 7/17/2014, the Product area advised that we will no longer add ABR after issue to pension policies. There is a marketing document titled “ABR Rider Availability in Qualified Plans” which includes the following statement: “The riders cannot be added after issue.”

For historical purposes, the rules prior to 07/17/2014 were as follows:

- Terminal and Chronic Illness ABR – Pension or profit sharing plans (must be for all participants).
- Critical Illness ABR – Profit Sharing plans for new issue only. This is the new rule effective 7/1/2010. Prior to this it was only available if it was a Profit Sharing plan started in 2004 or later. It was originally handled this way due to the restrictions on adding the rider to existing policies.
- All ABR's – not available for plans using a GI program, even if it is a non-GI policy.

## **Restrictions**

### **General Restrictions (NL/LSW)**

- ABR (all versions) is not allowed on Guaranteed Issue (medical code G or T).
- Joint policies (Vantage) – one insured must be dead before ABR can be added. Check that your product is eligible.
- 2<sup>nd</sup> to Die joint policies on Trad Life – one insured must be dead before ABR can be added. Check that your product is eligible.

### **Restrictions for ABR 3, 8, 9, A, B, C (and Chronic if noted)**

Riders that provide critical illness or critical injury are not allowed if any of the conditions below exist:

- Not allowed if the insured or other insureds are rated > 200%. Flat ratings are also reviewed by the underwriter and could cause the ABR to be denied. This restriction also applies to Chronic.
- Not allowed if the premium class has a built in rating > 200%: Premium class QN on Trad Life and premium class Z on Vantage. This restriction also applies to Chronic.
- For joint policies, not allowed if the surviving insured is rated > 200% or is uninsurable premium class. Flat ratings are reviewed and critical coverage can be denied by the underwriter.
- NL and LSW term policies - not allowed if reinsurance company is other than blank or % (% is referred to as quota share).
- For whole life, universal life and IUL products, if reinsured under facultative/CUP basis, the underwriter will work with the reinsurance area to determine if critical can be added. It depends on the reinsurance treaty.  
Reinsurance Type on Vantage: F = facultative, C = CUP.  
Trad Life does not have this field.  
There is no on-line edit in Vantage or Trad for this since the underwriter will be making the determination.
- Not allowed if reinsured under the Table Shavings program (also known as express standard reinsurance). Reinsurance Type on Vantage = P.  
In Feb 2014, New Business was changed so the reinsurance company must be P for the Table Shavings program. This was due to the new reinsurance system. I assume the "P"

interfaces to Vantage and Trad Life to the field used for Reinsurance Company.

There is no on-line edit in Vantage or Trad for this since the underwriter will be making the determination.

- Not allowed if Simplified Issue (medical code U) or Guaranteed Issue (medical code G or T).
- For NY, the policy must have Terminal Illness if they want to add Critical Illness or Critical Injury. ABR 9 & A are not approved yet.
- For CA, Critical Injury is only allowed for ages 0 – 64. This document contains a separate section for CA Critical Injury.

## **ABR 9 and A: Enhanced Critical Illness and New Critical Injury**

On 4/20/2015 we introduced the following new ABR's for NL/LSW which require underwriting:

- ABR 9 - An enhanced Critical Illness rider which covers more health conditions than our previous Critical Illness rider. For states that have not yet approved this rider, we will continue to offer our previous Critical Illness rider (ABR 3).
- ABR A – a new Critical Injury rider. Qualifying events for this rider are coma, paralysis, severe burns and traumatic brain injury.
- The policyholder may be eligible for one and not the other. It all depends on the results of the underwriting.
- When adding ABR 9, any existing ABR 3 will be terminated. See the rules on the next page for more details.
- NY has NOT approved, however, when they do, the policy must have Terminal Illness if ABR 9 or ABR A is being added. In addition, a mailing to existing policyholders informing them of the riders will be required before we can add these riders after issue.
- CA approved Critical Injury with additional requirements and restrictions. Refer to the separate section in this document for more details.
- VA initially approved ABR 9 and A, but then withdrew these riders effective 12/29/2016. We then filed to use the compact versions (B & C) for VA and received approval and introduced effective 02/27/2017.
- MD initially approved ABR 9 and A, but later there was a regulation change that impacted the continued use of these riders. We filed to use the compact versions (B & C) for MD and received approval. System changes promoted 03/28/2020.

### **Rider Form Numbers**

ABR 9 - Critical Illness Rider Form Numbers:

- NL = 20285(1014)
- LSW = 20287(1014)

ABR A - Critical Injury Rider Form Numbers:

- NL = 20286(1014)
- LSW = 20288(1014)

**Rules for Terminating Existing Critical Illness** (ABR 3; if the enhanced Critical Illness rider (ABR 9) is added):

- ABR 3 will be automatically terminated when ABR 9 is added.
- For Vantage, the system automatically terminates the ABR 3 when the batch cycle runs. This is true when adding ABR 9 after issue or correcting a new issue that has ABR 3, but it should be ABR 9.
- For Vantage, if you are adding multiple ABR's on the same day and think of it, input ABR 9 last. This will make trx history easier to understand due to the priority order of trxs (it will avoid some reverse/reapply activity).
- For Trad Life, you will get an on-line edit to delete ABR 3 if you are adding ABR 9.
- If the policy has ABR 8 (applicable to IL/NJ), adding ABR 9 will NOT terminate ABR 8 because ABR 8 provides a combination of terminal and critical illness.

### **ABR B and C FOR CT, IL, KS, MA, MD, MN, NJ, VA, WA: Combination Terminal/Critical Illness/Injury**

Effective 8/31/2015, we introduced ABR B and C filed through the compact for NL/LSW for states that did not approve the individual state filings for ABR 9 and A. Additional states were added after the initial promote and those dates are shown below:

- 08/31/2015: IL, KS, MA, MN, NJ, WA
- 02/27/2017: VA (ABR 9 & A were withdrawn for this state)
- 08/28/2017: CT
- 03/28/2020: MD (ABR 9 & A no longer available for this state)

### **FACTS FOR ABR B & C**

- ABR B – a combination Terminal/Critical Illness. The critical illness qualifying events will cover more health conditions than our previous Critical Illness rider. This combination rider replaces ABR 8 (Terminal/Critical Illness).
- ABR C – a combination Terminal/Critical Injury. The qualifying events for critical injury are coma, paralysis, severe burns and traumatic brain injury.
- ABR B & C require underwriting. The policyholder may be eligible for one and not the other. It all depends on the results of the underwriting.
- If coverage under ABR B & C is denied by the underwriter, they may not be able to have Terminal coverage depending on the state as follows:  
CT, IL, MA, NJ, VA have a stand alone Terminal.  
KS, MD, MN, WA do NOT have a stand alone Terminal. These states are part of the 7 special states that have a combination Terminal/Chronic. If the insured is also denied Chronic coverage, they will not be eligible for any ABR coverage.
- For CT, adding either ABR B or C will cause an existing stand alone Terminal on the same policy to be terminated. This is because the length of time for a terminal illness defined in the CT stand alone terminal rider pages is different than what is defined in the

rider pages for ABR B & C.

Refer to Rules for Terminating Existing ABR's section for further details.

For the other states, stand alone Terminal remains active on the policy.

- For any eligible state, adding ABR B will cause an existing older version of Critical Illness or the non-compact version of enhanced Critical Illness (ABR 9) on the same policy to be terminated. Refer to Rules for Terminating Existing ABR's later in this section for further details.
- For any eligible state, adding ABR C will cause an existing non-compact version of Critical Injury on the same policy to be terminated. Refer to Rules for Terminating Existing ABR's later in this section for further details
- ABR B & C both require manual checking of the face amount using the rules in the following bullets.
- If the policy is the first policy on the insured and other insureds (if any), there is no face amount limit. This is because the rider language has a maximum limit per policy.
- If the policy is not the first policy on the insured or other insureds (if any), you must manually check for other inforce policies **with ABR** for the insured and the other insureds (if any). If the total coverage for any of the insureds is > 1,000,000, ABR B or C cannot be added. The restriction exists because the rider language is per policy (versus total coverage on the insureds lives) so we need to limit our claim exposure. Refer to next bullet.
- Total coverage with ABR: Add up the following for each primary/other insured for the inforce policies you identified, including the policy that you have been requested to add ABR to:  
Vantage: current coverage units.  
Trad Life: base face plus PPFT face plus internal paid-up face plus term rider faces. If policy does not have PPFT, the total face amount is base face plus internal paid-up face plus total adds rider faces plus dividend adds face plus term rider faces.
- For MA, the rider pages for Terminal Illness and Chronic Illness required some updates at the same time. The version date for the Terminal and Chronic rider form numbers for both companies is (0715).
- NJ has a special section in this document that covers rules for Chronic.
- KS, MD, MN, WA are part of the 7 special states that have a combination Terminal/Chronic ABR which is covered in another section of this document.

## Rider Form Numbers

ABR B - Terminal/Critical Illness:

- NL = ICC15-20285(0115)
- LSW = ICC15-20287(0115)

ABR C - Terminal/Critical Injury:

- NL = ICC15-20286(0115)

- LSW = ICC15-20288(0115)

## **RULES FOR TERMINATING EXISTING ABRs**

- ABR 3 (Critical Illness) will be automatically terminated when ABR B is added.
- ABR 8 (Terminal/Critical Illness) will be automatically terminated when ABR B is added.
- ABR 9 (enhanced Critical Illness) will be automatically terminated when ABR B is added.
- ABR A (Critical Injury) will be automatically terminated when ABR C is added.
- For CT, NL ABR 4 or LSW ABR 1 (stand alone Terminal Illness) will be automatically terminated when either ABR B or ABR C is added.
- For Vantage, the system automatically generates trxs to terminate the applicable ABR rider when the batch cycle runs. Same process will happen if you need to backdate the rider add to the date of issue and the policy has one of the riders that needs to be terminated.
- For Vantage, if you are adding multiple ABR's on the same day and think of it, input ABR B last. This will make trx history easier to understand due to the priority order of trxs (it will avoid some reverse/reapply activity).
- For Trad Life, you will get an on-line edit to delete the ABR that needs to be terminated. The on-line edits are covered in the "Trad Life On-line Edits" section of this document.

## **NY Special Rules for Chronic (NL ABR 7)**

ABR 7 is only for NY and it covers Chronic Illness. This ABR requires underwriting.

This rider cannot be added after issue until National Life has done a mailing to all eligible NY policyholders. When the mailing is done, it will not include Trad Life products because NY did not approve "adding after issue" for any of our Trad Life products.

### **Facts and restrictions for ABR 7**

- ABR 7 rider pages:  
Vantage products: 8591NY(0108)  
Trad Life whole life and term: 20006NY(0511)
- Disclosure forms for NY:  
8626NY(0611) - this covers Chronic.  
9747NY(0312) – this covers Terminal and Critical.
- Must have ABR 4 if they want ABR 7. This restriction also applies to critical illness and critical injury.
- Minimum Total Face Amount as follows:  
Trad Life: **not allowed to add after issue** (new issue: whole life and term policies:



100,000).

AssurePlus and Ultra Select: 250,000.

FlexLife: 100,000.

- Total face includes:  
Vantage: current coverage units.  
Trad Life: **not allowed to add after issue**. Base face plus PPFT face plus internal paid-up face plus term rider faces. If policy does not have PPFT, the total face amount is base face plus internal paid-up face plus total adds rider faces plus dividend adds face plus term rider faces.
- Effective 02/27/2017, systems were updated to remove the restriction for not allowing if the policy has a total face amount > 2,000,000. New rules provide for no maximum face amount restriction.
- Not available if policy has OIR's.
- Not allowed if insured is rated > 200%. Flat ratings are reviewed and chronic coverage can be denied by the underwriter.
- Not allowed if Simplified Issue (medical code U) or Guaranteed Issue (medical code G or T).

### CA Special Rules for Chronic (NL/LSW)

- Effective 09/29/2014, Chronic is available for CA policies, subject to underwriting approval. From 04/29/2014 through 09/28/2014, Chronic was withdrawn from use in CA.
- Chronic rider pages for CA (DLS approval date 04/29/2014):
  - NL = 7493CA(0114). System will also generate Important Notice 20210CA(0114)
  - LSW = 8095CA(0114). System will also generate Important Notice 20211CA(0114)
- New Disclosure Forms for Chronic for CA
  - NL= 9747CA(0114)
  - LSW = 8083CA(0114)
- Existing Disclosure Forms for Terminal and Critical Illness for CA:
  - NL= 20229CA(0114)
  - LSW = 20230CA(0114)
- Additional Forms Required for Chronic for CA:
  - NL = 20221CA(0914) – Client Information for Chronic Illness ABR in California. This provides information on the differences between long term care insurance policies and accelerated death benefit riders.
  - NL = 20275CA(0414) – Covered Chronic Illness Rider Supplement. This has additional health questions and 2 replacement questions.
  - LSW = 20220CA(0914) - Client Information for Chronic Illness ABR in California. This provides information on the differences between long term care insurance policies and accelerated death benefit riders.
  - LSW = 20274CA(0414) - Chronic Illness Rider Supplement. This has additional health questions and 2 replacement questions.
- Replacement questions answered yes requires an additional form:

- `NL and LSW = 20218CA(1213)
- Policyholders that received the IOU letter with their policy or the special mailing planned for January 2015, will not have to complete the 20275 or 20274 which has the health questions and the 2 replacement questions. Instead we have a shorter form they need to complete which contains just the replacement questions.
  - NL = 20264CA(0414) – Supplemental Information.
  - LSW = 20265CA(0414) – Supplemental Information.
- There are no system changes on how to add Chronic in CA.

### **CA Special Rules for Critical Injury (NL/LSW)**

- Effective 07/18/2016, Critical Injury is available for CA (subject to underwriting approval), but with additional restrictions required by the state which are detailed below.
- If the insured and other insureds are age 0 through 64 based on their last birthday, they are eligible.  
If 65 or older, they are not eligible for Critical Injury.
- Does the insured and other insured(s) have medical coverage? This question will be on a new supplemental application which is required for each insured.
  - If yes, they are eligible for Critical Injury.
  - If no, they are not eligible. If any one of the insureds answers no, Critical Injury cannot be added.
- Supplemental Application for the Accelerated Death Benefits Rider for Critical Injury:
  - NL = 20352CA(0915)
  - LSW = 20401CA(0416)
- Critical Injury rider pages for CA (DLS approval date 07/15/2015):
  - NL = 20286CA(1014)
  - LSW = 20288CA(1014)
- New Disclosure Forms for Critical Injury for CA:
  - NL= 20301CA(0416) for NL
  - LSW = 20303CA(0416) for LSW

### **KS, LA, MD, MN, OR, UT, WA Combination Terminal/Chronic (NL/LSW)**

This section is only for the combination Terminal/Chronic rider for KS, LA, MD, MN, OR, UT, WA (referred to as the 7 special states).

For Critical Illness and Critical Injury information, refer to the appropriate section of this document which varies depending on the state as follows:

- KS, MD, MN, WA: section ABR B & C
- LA, OR, UT: section ABR 9 & A

### **Terminal/Chronic for the 7 special states**

- These 7 states use a combination Terminal/Chronic ABR which was filed through the compact. These are states that had either never approved Chronic or had withdrawn Chronic.

11/15/2010 introduced for KS, LA, MD, MN, UT, WA.

11/18/2013 introduced for OR.

- The ABR version number on Vantage and Trad Life for this combination rider is the same one used for stand alone Chronic. There are edits to remind you to use the Chronic number for these states.

NL = 5

LSW = 2

**For Vantage OIR's:** If adding ABR for a claim on the OIR, you might have the scenario where the primary has stand alone Terminal and in this situation, it is ok to add Terminal for the OIR.

- This rider has to be underwritten due to the chronic component. If chronic coverage is denied, the rider cannot be added.

KS, LA, MD, MN, OR, UT, WA do not have a stand alone Terminal.

However, for KS, MD, MN, WA they could get Terminal coverage if they are eligible for ABR B (terminal illness/critical illness) or ABR C (terminal illness/critical injury).

- Rider form numbers:

NL = ICC10-8843(0310)

LSW = ICC10-8844(0310)

- Disclosure forms:

NL = ICC10-8848(0310). This covers Terminal/Chronic. Search web by 8848.

LSW = ICC10-8849(0310). This covers Terminal/Chronic. Search web by 8849.

A separate disclosure form is needed for Critical Illness and Critical Injury.

- This combination rider requires manual checking of the face amount using the rules in the following bullets.
- If the policy is the first policy on the insured and other insureds (if any), there is no face amount limit for the combination Terminal/Chronic ABR. This is because the rider language has a maximum limit per policy.
- If the policy is not the first policy on the insured or other insureds (if any), you must manually check for other inforce policies **with ABR** for the insured and the other insureds (if any). If the total coverage for any of the insureds is > 1,500,000, do not add the Terminal/Chronic ABR. This restriction exists because the rider language is per policy (versus total coverage on the insureds lives) so we need to limit our claim exposure. Refer to next bullet.
- Total coverage with ABR: Add up the following for each primary/other insured for the inforce policies you identified, including the policy that you have been requested to add ABR to:  
Vantage: current coverage units.  
Trad Life: base face plus PPFT face plus internal paid-up face plus term rider faces. If policy does not have PPFT, the total face amount is base face plus internal paid-up face plus total adds rider faces plus dividend adds face plus term rider faces
- If a policy already has Terminal ABR and they want chronic coverage, the combination Terminal/Chronic can be added if underwriting approves them for chronic and the face

amount limitation is not exceeded. The Terminal illness rider does not have to be terminated.

- If a policy already has Terminal and Chronic ABR, do NOT add the combination Terminal/Chronic rider to the policy.
- If a whole life (traditional or non-traditional) policy already has old NL ABR 2 (ABR 1997), they are already covered for terminal and chronic illness. Do NOT add the combination Terminal/Chronic rider to the policy.
- If a term insurance policy already has old NL ABR 2 (ABR 1997), it covers terminal illness. You may add the combination Terminal/Chronic rider as long as the face amount limitation is not exceeded.

## NJ Special Rules

Also refer to the section on ABR B & C in this document for Critical Illness and Critical Injury information for NJ.

### Chronic ABR Special Rules for NJ:

- **NL and LSW:** If Chronic is being added, they must have an ABR that covers terminal illness. The stand alone Terminal or the Terminal/Critical Illness (ABR 8 or B) or Terminal/Critical Injury (ABR C) meet this requirement. If underwriting denied critical coverage, then the stand alone Terminal must be added if they don't already have it.
- If underwriting denies Chronic, it is ok to only have Terminal on the policy.
- **For NL,** if Chronic is being added and they have the old Terminal prior to 02/16/2006 (form 7490NJ(0200) and no other terminal coverage), we have to terminate/delete the old Terminal and add a current rider that has terminal coverage. Mail the updated version to the policyholder.
  - If the underwriter denied critical coverage, add the stand alone Terminal (ABR 4).
  - If the underwriter approved critical coverage, add the versions for the coverages approved: ABR B and/or ABR C.
  - Both Vantage and Trad Life have on-line edits if the policy has the old ABR 4 and Chronic is being added.
  - For Vantage, if you need to terminate an old ABR 4 and add a new ABR 4, do all trxs in the same cycle. Effective date to terminate the old ABR 4 needs to be one month prior to the effective date of the new ABR 4. Override on-line edit R197.

### Face Amount Restrictions for NJ:

- **For NL,** there are face amount restrictions for either the stand alone Terminal or Chronic as follows:
  - No limit if the policy is the first policy on the insured and other insureds (if any). This is because the rider language has a maximum limit per policy.
  - If the policy is not the first policy on the insured or other insureds (if any), you must manually check for other inforce policies **with ABR** for the insured and the

other insureds (if any). If the total coverage for any of the insureds is > 1,500,000, stand alone Terminal and Chronic cannot be added.

- **LSW:** Does not have a face amount restriction for either the stand alone Terminal or Chronic.

## **ABR 8 for NJ (NL/LSW) and IL (NL ONLY)**

**ABR 8 is no longer available. NJ and IL now use ABR B & C (separate section in this document).**

### **HISTORICAL FACTS FOR ABR 8:**

ABR 8 was introduced 5/19/2014 and later replaced by ABR B which was introduced 8/31/2015.

- ABR 8 is a combination Terminal/Critical rider that was filed through the compact for NJ for both companies and for IL for NL. NJ had never approved Critical Illness (ABR 3) through the individual state filing.
  - IL had approved the Critical Illness (ABR 3) as a state special. The NL rider pages did not specify a maximum payout benefit which increases the risk of the company being over exposed to claim amounts we might have to pay. Therefore, when ABR 8 was filed through the compact for the NL version of the rider, we included IL so we could stop adding ABR 3.
- ABR 8 required underwriting due to the critical illness component.
- ABR 8 rider form numbers:
  - NL = ICC13-9744(0913)
  - LSW = ICC13-8165(0913)
- Disclosure forms for ABR 8 (**now obsolete**):
  - For NJ NL = ICC13-9747(0913). This covers Terminal/Critical & Chronic.
  - For NJ LSW = ICC13-8083(0913). This covers Terminal/Critical & Chronic.
  - For IL NL = ICC13-20214(1113). This covers Terminal/Critical. A separate form was needed for chronic.
- ABR 8 required manual checking of the face amount using the rules in the following bullets.
- If the policy is the first policy on the insured and other insureds (if any), there is no face amount limit for ABR 8. This is because the rider language has a maximum limit per policy.
- If the policy is not the first policy on the insured or other insureds (if any), you must manually check for other inforce policies **with ABR** for the insured and the other insureds (if any). If the total coverage for any of the insureds is > 1,000,000, ABR 8 cannot be added. The restriction exists because the rider language is per policy (versus total coverage on the insureds lives) so we need to limit our claim exposure. Refer to next bullet.
- Total coverage with ABR: Add up the following for each primary/other insured for the inforce policies you identified, including the policy that you have been requested to add ABR to:

Vantage: current coverage units.

Trad Life: base face plus PPFT face plus internal paid-up face plus term rider faces. If policy does not have PPFT, the total face amount is base face plus internal paid-up face plus total adds rider faces plus dividend adds face plus term rider faces.

- Stand alone Terminal did not have to be terminated when ABR 8 was added.

## Article Details

<b>Last Revised:</b>	28 Mar 2020	<b>Business Block:</b>	Title and Contract Change
<b>Revised By:</b>	<a href="#">Beattie, Merilee</a>	<b>Intended Audience:</b>	Internal TaCC Staff

### CHANGES UNDERWAY

Table of Contents	
• 1	<a href="#">Overview</a>
• 2	<a href="#">About This Topic</a>
○ 2.1	<a href="#">Guidelines</a>
○ 2.2	<a href="#">Eligibility</a>
○ 2.3	<a href="#">National Life ABR Versions</a>
○ 2.4	<a href="#">National Life Eligible Products</a>
○ 2.5	<a href="#">LSW ABR Versions</a>
○ 2.6	<a href="#">LSW Eligible Products</a>
○ 2.7	<a href="#">User Memos</a>
○ 2.8	<a href="#">Disclosure Forms</a>
○ 2.9	<a href="#">Pension Plan Availability</a>
○ 2.10	<a href="#">Restrictions</a>
○ 2.11	<a href="#">NY Special Rules for Chronic (NL ABR 7)</a>
○ 2.12	<a href="#">NJ Special Rules</a>
○ 2.13	<a href="#">ABR 8 for NJ (NL/LSW) and IL (NL ONLY)</a>
• 3	<a href="#">Article Details</a>