

## Individual and Group Disability Income Checklist

### Use this checklist:

- When reviewing individual and group disability income insurance products or a business overhead expense policy.
- To ensure the product or policy meets requirements as listed in the Texas Insurance Code (TIC), the Texas Administrative Code (TAC), department guidelines, and other laws.
- In addition to, not in place of, the "[Individual Health Product](#)" checklist or the "[Group Health Product](#)" checklist.
- To enter the page number or reference location in the "Page" field.

### Individual Coverage

Does not apply to policies providing business buy out coverage - [28 TAC Section 3.3075\(4\)](#)

#### Definitions

Page \_\_\_\_\_ : Total disability - [28 TAC Section 3.3012](#)

Page \_\_\_\_\_ : Partial disability - [28 TAC Section 3.3013](#)

Page \_\_\_\_\_ : Residual disability - [28 TAC Section 3.3014](#)

Page \_\_\_\_\_ : Outline of coverage **should** satisfy requirements for disability products – [28 TAC Section 3.3093\(5\)](#)

Page \_\_\_\_\_ : Not required to be guaranteed renewable if it meets the criteria for "excepted benefits" - [28 TAC Section 3.3002\(b\)\(6\)\(B\)\(ii\)](#)

Page \_\_\_\_\_ : Weekly or monthly payments for a specified period during the continuance of disability resulting from accident or sickness or both - [28 TAC Section 3.3075](#)

Page \_\_\_\_\_ : Payments of at least \$100 per month payable through age 62, and payments of at least \$50 per month after age 62 - [28 TAC Section 3.3075\(1\)](#), and

Page \_\_\_\_\_ : an elimination period no greater than 90 days if providing benefits for a year or less – [28 TAC Section 3.3075\(2\)\(A\)](#), or

Page \_\_\_\_\_ : an elimination period no greater than 365 days if providing benefits for not less than two years and benefit is at least \$200 per month - [28 TAC Section 3.3075\(2\)\(B\)](#), or

Page \_\_\_\_\_ : an elimination period no greater than 180 days in all other cases during continuation of disability - [28 TAC Section 3.3075\(2\)\(C\)](#), and

Page \_\_\_\_\_ : a maximum payment period during disability of at least six months – [28 TAC Section 3.3075\(3\)](#)

Page \_\_\_\_\_ : Limited benefit disability policies must include proper notice requirements - [28 TAC Sections 3.3079 - 3.3081](#), and [Section 3.3091](#)

### **Noncancellable Disability Income Policy**

Page \_\_\_\_\_ : Amount of premium refunded is equal to all or a stated portion of the premiums paid, less claims paid, during a specified time or interval during the premium-paying period – [28 TAC Section 3.3040\(j\)\(1\)](#)

Page \_\_\_\_\_ : Premium refund may be paid at one or more specified times or intervals during premium paying period - [28 TAC Section 3.3040\(j\)\(2\)](#)

Page \_\_\_\_\_ : Interval between successive possible payments is no greater than 10 years – [28TAC Section 3.3040\(j\)\(3\)](#)

Page \_\_\_\_\_ : Benefit is paid automatically upon insured's death or on termination of policy because of age or duration - [28 TAC Section 3.3040\(j\)\(4\)](#)

Page \_\_\_\_\_ : Insured may discontinue the benefit on any anniversary date with a corresponding reduction of premiums - [28 TAC Section 3.3040\(j\)\(5\)](#)

Page \_\_\_\_\_ : An acceptable method of reserving is approved by the department concurrent with approval of the policy - [28 TAC Section 3.3040\(j\)\(6\)](#)

Page \_\_\_\_\_ :Premium to be paid for the benefit is fully disclosed to prospective insured and is stated separately in the policy specifications page - [28 TAC Section 3.3040\(j\)\(7\)](#)

Page \_\_\_\_\_ : Benefit cannot be marketed or titled as a cash-value or return-of-premium benefit - [28 TAC Section 3.3040\(j\)\(8\)](#)

### **Group Coverage**

Sources of income may be deducted from the disability income benefit.

#### **Eligibility for Coverage**

Page \_\_\_\_\_ : Insurer may require evidence of insurability – [TIC Section 1251.107](#)

Page \_\_\_\_\_ : Spouse and dependents of employees or members may be included in coverage [TIC Section 1251.152](#)

## **Pre-Existing Conditions**

Page \_\_\_\_\_ : Must specify exclusions or limitations, if any, regarding pre-existing conditions; and timeframes required – [TIC Section 1251.108](#)

## **Termination**

Page \_\_\_\_\_ : Cannot terminate during term of policy if insured is diagnosed as having or has been or is being treated for HIV or AIDS – [TIC Section 1364.053](#)

## **Prohibited Provisions**

Page \_\_\_\_\_ : Discretionary clauses are prohibited - [TIC Section 1701.062](#), and [28 TAC Section 3.1202](#) and [Section 3.1203](#)

Page \_\_\_\_\_ : Treat complications of pregnancy differently than any other illness or sickness – [28 TAC Section 3.3021](#) and [Section 21.405\(1\)](#)

Page \_\_\_\_\_ : Reduce disability benefits if insured is not employed at time disability starts, or is not employed away from his/her residence when disability starts - [28 TAC Section 3.3040\(e\)](#)

Page \_\_\_\_\_ : Require that recurrent disabilities be separated by more than six months – [28 TAC Section 3.3059](#)

Page \_\_\_\_\_ : Unfair discrimination, living organ donor – An insurer may not prevent an insured from donating all or part of an organ; or limit, cancel, refuse to renew, deny coverage, or vary an individual's or group's rate, based solely on the status of an individual as a living organ donor, unless actuarially justified. - [TIC Section 544.602](#), as added by HB 317.