

Market Conduct Annual Statement
Disability Income Insurance Data Call & Definitions

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Product Type Identifiers

Each product will represent a unique mix of three characteristics related to method of payment (voluntary v. employer-paid), duration of the benefit period (short term v. long term) and method of product marketing and sales (group v. individual). The mix of these three characteristics yields eight possible product types:

Individual voluntary short-term

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Schedule 4 Resulting in Closed Without Payment

ID	Description
4-35	Number of claims closed without payment within 1-14 days (Short term)
4-36	Number of claims closed without payment within 15-30 days (Short term)
4-37	Number of claims closed without payment within 31-45 days (Short term)
4-38	Number of claims closed without payment over 45 days (Short term)
4-39	Median Processing Time: The median processing time for claims closed without payment reported in 4-001 through 4-004 (Short term)
4-40	Number of claims closed without payment within 1-30 days (Long term)
4-41	Number of claims closed without payment within 31-60 days (Long term)
4-42	Number of claims closed without payment within 61-90 days (Long term)
4-43	Number of claims closed without payment over 90 days (Long term)
4-44	Median Processing Time: The median processing time for claims closed without payment reported in 4-006 through 4-009 (Q1 12.82 493.87 432.43 26.52 re.87 432.43 2

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Schedule 7 Disability Insurance Underwriting Activity (Group & Individual)

ID	Description
7-67	Number of policies in force at the beginning of the reporting period
7-68	Number of new policies issued during the reporting period
7-69	Dollar amount of direct written premium
7-70	Number of policyholder cancellations and non-renewals
7-71	Number of insurer non-renewals
7-72	Number of insurer cancellations
7-73	Number of rescissions within two years from policy issue
7-74	Number of rescissions after two years from policy issue
7-75	Number of policies in force at the end of the reporting period

Schedule 8 Covered Lives Related to Underwriting Activity (Group Only)

ID	Description
8-76	Number of lives covered under policies in force at the beginning of the reporting period
8-77	Number of lives covered under new policies issued during the reporting period
8-78	Number of lives covered under policyholder cancellations and non-renewals
8-79	Number of lives covered under insurer non-renew.75 Tm0 G -0.0.04 Tf1 0 0 1 329.59 4

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Individual v. Group Policies —Individual policies are marketed to, or are purchased directly by, individuals. Group policies are sold and purchased by or through group sponsors such as associations, employers, or groups of employers. Policies that originated as group coverage, but

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Sales, closures and movement of DI business —(1-11 and 1-12) Described instances in

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Active paid claims, beginning of reporting period —(2-18) Report the number claims from the prior reporting period for which payment is continuing to be made at the beginning of the reporting period (January 1).

Claims received during reporting period —(2-19) The number of new claims received by the reporting entity during the reporting period (January 1)

New paid claim determinations during reporting period —(2-20) Report the number of claims for which a benefit determination has been made at any time during the reporting period that resulted in a decision to make a payment.

Claim denials during reporting period —(2-21) Report the number of initial benefit determinations made at any time during the reporting period that resulted in a decision to deny payment.

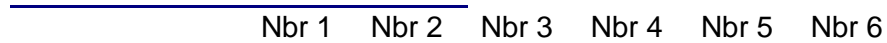
Paid claims closed during reporting period —(2-22) Report the number of claims with an initial benefit determination resulting in payment that are closed or are no longer receiving payments during the reporting period.

Pending benefit determinations, end of reporting period —(2-23) Report the number of

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	Nbr 1	Nbr 2	Nbr 3	Nbr 4	Nbr 5	Nbr 6	Nbr 7
Days to Settle	2	4	4	5	6	8	20

In this situation, the Median Days to Final Payment would be 5 because it is the middle value. There are exactly 3 values below the median (2, 4, & 4) and 3 values above the median (6, 8, & 20). If the data set had included an even number of values, then the median would be the average of the two middle values as demonstrated below.



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The above two lines (6-55 and 6-56) should include claims for which payment has been terminated because an individual formerly considered disabled has returned to employment sufficient to end coverage. The own occupation/job (6-55) refers to those instances in which a claimant returns to previous employment or employment of the same class as is defined in the policy (usually under an "own occupation" definition of disability). The any occupation/job (6-56) should include instances in which a claimant returns to work, but at a materially different job class (usually defined in an "any occupation" definition of disability).

The remaining lines should only include benefit terminations under conditions in which the insured has not returned to employment of a kind necessary to end disability coverage.

Lack of documentation —(6-57) Include claims in which payment has been terminated due to a failure to obtain documentation pertaining to medical records, earnings loss, or any other evidence of continued disability.

Non-participation in evaluation —(6-58) Payment termination due to the failure to an insured to comply with a reporting entity's requirements for an independent medical, occupational or other similar evaluation.

Death of claimant —(6-59)

Failure to

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Not disabled with respect to own occupation but has not returned to work —(6-64)
Claimant has been deemed as not disabled with respect to "own occupation," but has not returned to work based on the company's records.

Not disabled with respect to any occupation but has not returned to work —(6-65)
Claimant has been deemed as not disabled with respect to "any occupation," but has not returned to work based on the company's records.

Other closed after payment —(6-66) Include all claims which resulted in any payment, and for which payment has terminated during the reporting period, that are not reported in 6-55 through 6-65.

Schedule 7 Disability Insurance Underwriting Activity (both Group and Individual DI)

The following definitions are referring to the number of policies in force.

Policies in force at the beginning of reporting period —(7-67) The number of in force policies at the beginning of the reporting period (January 1).

Policies issued —(7-68) New policies issued during the reporting period.

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Rescissions after two years —(7-74) Rescissions occurring beyond two years after the date a policy was first issued.

Policies in force at the end of reporting period —(7-75) The number of in force policies at the end of the reporting period (December 31).

Schedule 8 Covered Lives Related to Underwriting Activity (Group DI Only)

For group coverage, each line should record the number of lives covered under policies reported in Schedule 7.

Lives covered under policies in force beginning of period —(8-76) The number of lives covered under policies in force at the beginning of the reporting period (January 1). These are lives covered under the policies reported in 7-67.

Lives covered under new policies issued —(8-77) The number of lives covered under new policies issued during the reporting period.

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