

NEW YORK INSURANCE DEPARTMENT CORPORATE-OWNED LIFE INSURANCE CHECKLIST (2/28/02)

COMPANY	Form No.
Company Contact:	Phone Number:
E-Mail Address:	Fax Number:

Instructions:

- A. All items must be answered. Failure to complete all applicable items will result in this filing being returned without further review.**
- B. Check the "YES" box if the item applies without qualification.**
- C. Check the "N/A" box if the item is not applicable to the policy form.**
- D. Check the " * " box for the items for which an explanation is necessary. Attach the explanation(s) referencing the relevant item number(s). Also use this box if you are unsure of the appropriate box to check.**
- E. Where required enter the page and paragraph reference of the policy form. The policy form is identified by form number at the top of page one of this checklist.**
- F. The signature of the company representatives completing this checklist and the date it was completed must be furnished on the attached pages.**
- G. For the purposes of this checklist, items applicable to policies apply equally to certificates, unless the context clearly indicates otherwise.**

I. Filing Process				
A. Filing Requirements For Applicable Product				
1.	A checklist for the group or individual life insurance policy form has been completed and is attached.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>
B. Transmittal Letter Requirements				
2.	The submission letter specifically identifies the submission as a corporate-owned life insurance product, preferably in the caption or "Re" of the letter.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>
3.	The letter states that the product would be issued pursuant to New York Insurance Law §3205(d) to fund benefits provided under an employee benefit plan or §3205(a)(1)(B) for key employees.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>
4.	The letter explains how the insurer will verify that the insurable interest conditions will be satisfied for employee benefit plan and key person corporate-owned life insurance.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>
5.	<p>The letter states that the insurer has procedures in place to assure that the notice and consent requirements in Section 3205(d) and (e) for employee benefit plan corporate-owned life insurance are satisfied. Check applicable box "☐".</p> <p><input type="checkbox"/> Notice and consent forms that sets forth the employee's consent and termination rights required by §3205(d)(1)(A), (B), and (C) are included in the submission.</p> <p><input type="checkbox"/> The form number(s), file number(s), and the date(s) of approval, along with a copy of the relevant forms) are provided.</p> <p><input type="checkbox"/> The employer is responsible under the policy for providing the required notices to employees and such notices are prepared and/or reviewed by the insurer.</p>	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>

6.	For group life submissions, the letter explains whether there would ever be any incidence of ownership, either at issue or later, transferred to the insured, with a complete explanation of the circumstances under which this could occur.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	
7.	For employee benefit plan COLI, the letter confirms that the total amount of insurance coverage at issue will not exceed the incurred and future costs of the plan benefits. §3205(d)(2).	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	
8.	For key person COLI, the letter describes the steps, if any, the company takes to ensure that the amount of insurance on any key person is not excessive (i.e., exceeds the estimate of the potential loss that the corporation would incur from the untimely death of the key employee).	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	
9.	For group employee benefit plan corporate-owned life insurance, the letter identifies the provisions of §4216(b)(1) and (4) with which the forms do not comply, such as the issuance of certificates, classes covered, limited selections, participation requirements, and beneficiary restriction.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	
10.	For group corporate-owned life insurance, the letter provides an explanation as to why the forms should be exempt from any group life insurance requirements, other than as specified in §§ 3220 and 4216(i) of the Insurance Law.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	
II. Policy/Certificate Provisions					
A. Group Provision Exceptions					
11.	Certificate Issuance. For employee benefit plan COLI, the policy does not provide for the issuance of a certificate for delivery to each person covered under the policy. See §§ 3220(d) and 4216(i)(2) providing exception to the requirements in §3220(a)(4) and § 4216(b)(1), (2), (6), (7), (10), (11), (12) and (13).	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
12.	Beneficiary. For employee benefit plan COLI, the policy provides that the policyholder is the beneficiary. The policy does not state that the benefits payable under the policy shall be payable to the beneficiary or beneficiaries designated by the insured or to the insured's estate. . See §§ 3220(d) and 4216(i)(2) providing exception to the requirements in §3220(a)(5) and § 4216(b)(1), (2), (6), (7), (10), (11), (12) and (13).	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
13.	Renewal Premium Notice. For employee benefit plan COLI, the premium renewal notice otherwise required by Section 3220(a)(10) is not applicable. See Section 3220(d).	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
14.	Assignment. An assignment provision is not required for employee benefit plan corporate-owned life insurance. §3220(d).	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
15.	Conversion Right For employee benefit plan COLI, covered employees do not have any conversion rights or related continuation or portability rights. See § 3220(d) and § 4216(i)(2).	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____

16.	Dividends and Rate Reductions Pursuant to Section 4216(i)(1), for employee benefit plan COLI, a dividend or rate reduction does not have to be applied to reduce the insured's premium or distributed to the insured. Section 4216(i)(1) makes Section 4216(h) in applicable.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
17.	Dependent Coverage Section 4216(f) dependent coverage provisions are not applicable to employee benefit plan COLI. See Section 4216(i)(1).	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
18.	Eligibility of New Insureds. Pursuant to Section 3220(d) the requirement in Section 3220(a)(9) that all new employees of an employer be added to such groups or classes for which they are eligible is not applicable.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
19.	Limitations on the Amount of Insurance. Note that . Section 4216(i)(2) makes the provision of Section 4216(b)(1) and (4) regarding selection by employees or employers of the amount of insurance and the number of selections available inapplicable. However, Section 3205(d)(2) limits the total amount of insurance coverage at the time of issue to the cost of incurred benefits plus the projected future costs of employee benefits.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
20.	Nonforfeiture Requirement. The group policy includes provisions that address the risks of disintermediation (for products with a fixed account) and anti-selection (where employer can surrender policies of healthy employees but continue paying premiums on unhealthy employees).	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
B. Additional Provisions					
21.	Free Look. A free look provision is not necessary for employee benefit plan corporate-owned life insurance.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
22.	Restriction on Surrender. Restrictions that do not apply to other surrender may be placed on surrender subject to IRC Section 1035.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
23.	Loans. The policy provides that during the first five years subsequent to issuance of the policy or policies providing life insurance issued pursuant to 3205(d), the employer (or trust) is prohibited from undertaking a pattern of borrowing that is likely to require all or a substantial part of the cash values of the policies to be pledged as security against repayment of such loans, unless such borrowing was incurred because of an unforeseen increase in financial obligations.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
24.	Loans or Withdrawals. If loans or partial withdrawals are allowed under the policy, the policy is clear as to whether such loans or withdrawals are made at the plan level or at the individual insured level. If made at the plan level, then the policy should describe how the loan or partial withdrawal would be allocated to individual insureds.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____

25.	<p>Discontinuance & Termination.</p> <p>The policy describes insured employee's rights to discontinue or terminate coverage on their lives.</p> <p>The policy describes the means by which such termination rights must be executed.</p> <p>The policy describes the consequences of the employee's or retiree's failure to comply with the requirements of Section 3205(e) (i.e., neither the employee, retiree nor his or her successor in interest, may contest the validity of the coverage).</p>	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
26.	<p>Discontinuance & Termination.</p> <p>The policy states that the individual policy terminates or the coverage on the life of the insured terminates in the case of a group life policy upon the written request of the insured as of the date the notice of such request is received by the insurer. See Section 3205(e).</p> <p>The policy describes the employer's obligation to provide the insurer with the written notices of rejection or termination of coverage on a timely basis.</p> <p>The policy describes all terms and conditions relating to the amounts payable to the employer or trust policy owner as the result of such termination of coverage.</p> <p>The insurer reserve the right in the policy to terminate the group policy or individual policies if the employer selects against the insurer by surrendering healthy lives.</p>	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
		YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
		YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
		YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
27.	<p>Proof of Loss.</p> <p>The policy contains a proof of loss provision which requires evidence that the beneficiary has an insurable interest in the insured employee at the time of the insured employee's death, including the written consent and an affirmation that the employee did not in writing request the termination of coverage.</p>	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
28.	<p>Aggregate Amount of Insurance Coverage.</p> <p>At time coverage is issued, the total amount of insurance coverage issued to date to the employer (or trust) does not exceed the incurred and projected costs of employee benefits under an employee benefit plan.</p> <p>The total amount of insurance coverage refers to the aggregate face amount of life insurance purchased at the time of issue (not the net amount at risk).</p> <p>The amount of insurance is for key person insurance is limited to an estimate of the potential loss of net income that the corporation may incur from the untimely death of the key person.</p>	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
		YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
		YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____
29.	<p>Coverage Amount and Employee Selection Factors.</p> <p>The amount of coverage on each insured employee or retiree and the selection of such employees or retirees to</p>	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____

	be insured is based purely on nondiscriminatory factors, and not on conditions or terms of employment other than participation in an employee benefit plan. §3205(d)(3).				
	III. Other				
30.	Any substantive provisions or features provided by the terms or operation of this policy which have not been addressed by this checklist, are set forth in an attachment to this checklist or identified in the submission letter.	YES <input type="checkbox"/>	N/A <input type="checkbox"/>	* <input type="checkbox"/>	_____ / _____

Print Name: _____

Print Title: _____

Signature: _____

Date: _____