

## 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 – [28 TAC 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\(j\)\(8\)](#)

### **Prohibited provisions**

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](#)

## **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](#)

### **Miscellaneous provision**

Page \_\_\_\_\_ : Paid family medical leave act (FMLA) - insurance coverage issued through an employer as a type of disability income insurance may provide for paid family medical leave. [TIC Section 1251.101](#)

### **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 \_\_\_\_\_ : 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.

### **Individual and group disability income**

Page \_\_\_\_\_ : An issuer offering coverage for gender affirming treatments must also provide coverage for the reversal of any such procedure, as well as coverage for any possible complications that may subsequently arise because of these procedures – [TIC Section 1373.003](#)

Page \_\_\_\_\_ : An entity that offers Medicare Supplement Benefit Plans to individuals 65 years of age or older, must offer the same coverage to individuals younger than 65 years of age who are eligible to enroll in Medicare because of end stage renal disease or amyotrophic lateral sclerosis – [TIC Section 1652.059](#)