

## PROJECT HISTORY – 2002

### GUIDELINES ON CORPORATE OWNED LIFE INSURANCE (#602)

**1. Description of the project, issues addressed, etc.**

The Life Insurance and Annuities (A) Committee was charged to review issues related to corporate owned life insurance and make recommendations.

**2. Name and membership of group responsible for draft the model:**

The membership of the COLI Working Group is:

North Dakota, Chair  
Iowa  
Michigan  
Missouri  
Ohio  
Utah

**3. Project authorized by what charge and date first given to the group:**

The A Committee was charged in May 2002 to “Identify consumer protection issues related to the sale of corporate owned life insurance and make recommendations. Report by September 2002.”

**4. A general description of the drafting process. Include any parties outside the members that participated.**

The revisions were drafted by the working group and discussed over the course of several conference calls. Representatives from the life insurance industry participated extensively in the discussion.

**5. A general description of the due process (e.g., exposure periods, public hearings, or any other means) by which widespread input from industry, consumers and legislators was solicited.**

Comments were solicited from interested parties who participated in the conference calls and the draft was posted on the NAIC website.

**6. A discussion of the significant issues raised during the drafting process and the group’s response.**

The working group members considered whether to require a written affirmative consent (opt-in) or whether an opt-out provision would provide adequate protection. In addition, the working group discussed the benefits of requiring a retroactive notification of existing policyholders. The group also considered adding a requirement for notification of the spouses of insured employees.