**Section 1407.40 Standards for Claims Payment**

a) Before payment of any benefits the insurer may require medical evidence of the terminal illness or qualified condition, including clinical, radiological, histological or laboratory evidence of the condition. Insurers shall evaluate the medical evidence and may order their own medical examinations.

b) Prior to payment of the accelerated benefit, the insurer is required to obtain from an assignee or irrevocable beneficiary a signed acknowledgement of concurrence for payout. If the insurer making the accelerated benefit is itself the assignee under the policy, no acknowledgement is required.

c) Lump Sum Settlement Option Required. Contract payment options shall include the option to take the benefit as a lump sum. The benefit shall not be made available as an annuity contingent upon the life of the insured.

d) Restrictions on Use of Proceeds. No restrictions are permitted on the use of the proceeds.

e) Accidental Death Benefit Provision. If any death benefit remains after payment of an accelerated benefit, the accidental death benefit provisions, if any, in the policy or rider shall not be affected by the payment of the accelerated benefit.

f) The insurer shall maintain in its files descriptions of the bases and procedures used to calculate benefits payable under these provisions. These descriptions shall be made available for examination by the Director upon request.

(Source: Amended at 23 Ill. Reg. 14688, effective December 14, 1999)