

2700.3100 DEFINITIONS.

Subpart 1. **Charter policy.** "Charter policy" is that form of life insurance policy, usually issued by a newly organized company, which is sold on the basis that its availability will be limited to a specific predetermined number of units of a fixed dollar amount, and which generally provides that the policyholder shall participate in the earnings resulting from either the participating policies or the nonparticipating policies sold by the company, or perhaps both. The prospective purchaser is led to believe that he or she will receive a special advantage in any future distribution of earnings, profits, dividends, or abatement of premium not available to those persons holding other types of policies issued by the company.

Subp. 2. **Guaranteed annual endowment.** A "guaranteed annual endowment" is that form of life insurance policy containing a series of pure guaranteed annual endowments evidenced by coupons, passbooks, or similar devices generally identified with investment or banking operations.

Subp. 3. **Lending institutions.** For the purpose of part 2700.3200, subpart 10, the term "lending institutions" shall include:

A. persons, firms, associations, or corporations engaged in the business of loaning moneys for the purchase of property and for any other purpose that involves real or personal property as security; and

B. persons, firms, associations, or corporations who act as agents for the organizations defined in item A.

Subp. 4. **Person.** For the purpose of part 2700.3200, subparts 2, 3, and 6, "person" shall have the same meaning as in Minnesota Statutes, section 72A.18, subdivision 2.

Subp. 5. **Premium financing plan.** "Premium financing plan" is any plan or program arranged by a licensed life insurance agent in connection with the purchase of an individual life insurance policy, annuity, or endowment contract issued for delivery within this state, pursuant to which one or more premiums on such policy are to be paid in full or in part through credit, except the extension of credit for not more than 90 days to an individual who is at least 21 years of age.

Subp. 6. **Profit-sharing policy.** A "profit-sharing policy" is that form of life insurance policy that contains provisions representing or tending to create the understanding that the policyholder will be eligible to participate, with a special advantage not available to the persons holding other types of policies issued by the same company, in any future distribution of general corporate profits, as distinguished from a refund of the excess premiums paid by that policyholder.

Subp. 7. **Risk.** For the purpose of part 2700.3200, subpart 10, "risk" means the potential loss covered by a policy of insurance.

Statutory Authority: *MS s 72A.19*

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