

2747.0010 APPLICABILITY.

Subpart 1. **Generally.** This chapter applies to all life insurance policies, with or without nonforfeiture values, issued on or after January 1, 2000, subject to the exceptions and conditions in subparts 2 and 3.

Subp. 2. **Exceptions.**

A. This chapter does not apply to an individual life insurance policy issued on or after January 1, 2000, if the policy is issued according to and as a result of the exercise of a reentry provision contained in the original life insurance policy of the same or greater face amount, issued before January 1, 2000, that guarantees the premium rates of the new policy. This chapter also does not apply to subsequent policies issued as a result of the exercise of such a provision, or a derivation of the provision, in the new policy.

B. This chapter does not apply to any universal life policy that meets all of the following requirements:

- (1) the secondary guarantee period, if any, is five years or less;
- (2) the specified premium for the secondary guarantee period is not less than the net level reserve premium for the secondary guarantee period based on the 1980 CSO valuation tables as defined in part 2747.0020 and the applicable valuation interest rate; and
- (3) the initial surrender charge is not less than 100 percent of the first year annualized specified premium for the secondary guarantee period.

C. This chapter does not apply to any variable life insurance policy that provides for life insurance, the amount or duration of which varies according to the investment experience of any separate account or accounts.

D. This chapter does not apply to a variable universal life insurance policy that provides for life insurance, the amount or duration of which varies according to the investment experience of any separate account or accounts.

E. This chapter does not apply to a group life insurance certificate unless the certificate provides for a stated or implied schedule of maximum gross premiums required in order to continue coverage in force for a period in excess of one year.

Subp. 3. **Conditions.**

A. Calculation of the minimum valuation standard for policies with guaranteed nonlevel gross premiums or guaranteed nonlevel benefits, other than universal life policies, or both, is according to part 2747.0040.

B. Calculation of the minimum valuation standard for flexible premium and fixed premium universal life insurance policies, that contain provisions resulting in the ability of

a policyholder to keep a policy in force over a secondary guarantee period, is according to part 2747.0050.

Statutory Authority: *MS s 45.023; 61A.25*

History: *24 SR 800*

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