CHAPTER 61A

LIFE INSURANCE

61A.276 FUNDING AGREEMENTS.

[For text of subd 1, see M.S.1998]

Subd. 2. **Issuance.** The funding agreements may be issued to: (1) individuals; or (2) persons authorized by a state or foreign country to engage in an insurance business or subsidiaries or affiliates of these persons; or (3) entities other than individuals and other than persons authorized to engage in an insurance business, and subsidiaries and affiliates of these persons, for the following purposes: (i) to fund benefits under any employee benefit plan as defined in the Employee Retirement Income Security Act of 1974, as now or hereafter amended, maintained in the United States or in a foreign country; (ii) to fund the activities of any organization exempt from taxation under section 501(c) of the Internal Revenue Code of 1986, as amended through December 31, 1992, or of any similar organization in any foreign country; (iii) to fund any program of any state, foreign country or political subdivision thereof, or any agency or instrumentality thereof; (iv) to fund any agreement providing for periodic payments in satisfaction of a claim; or (v) to fund a program of a financial institution limited to banks, thrifts, credit unions, and investment companies registered under the Investment Company Act of 1940. No funding agreement shall be issued in an amount less than $1,000,000.

[For text of subds 3 to 5, see M.S.1998]

History: *1999 c 177 s 34*

61A.60 REQUIRED REPLACEMENT NOTICE AND FORM.

Subdivision 1. **Notice form; agent sales.** The notice required where sections 61A.53 to 61A.60 refer to this subdivision is as follows:

IMPORTANT NOTICE

DEFINITION

REPLACEMENT is any transaction where, in connection with the purchase of New Insurance or a New Annuity, you LAPSE, SURRENDER, CONVERT to Paid–up Insurance, Place on Extended Term, or BORROW all or part of the policy loan values on an existing insurance policy or an annuity. (See reverse side for DEFINITIONS.)

IF YOU INTEND TO REPLACE COVERAGE

In connection with the purchase of this insurance or annuity, if you have REPLACED or intend to REPLACE your present life insurance coverage or annuity(ies), you should be certain that you understand all the relevant factors involved.

You should BE AWARE that you may be required to provide **EVIDENCE OF INSURABILITY** and

(1) If your HEALTH condition has CHANGED since the application was taken on your present policies, you may be required to pay ADDITIONAL

PREMIUMS under the NEW POLICY, or be DENIED coverage.

(2) Your present occupation or activities **may not be covered or could require additional premiums.**

(3) The INCONTESTABLE and SUICIDE CLAUSE will begin anew in a new policy. This could RESULT in a **CLAIM under the new policy BEING DENIED** that would otherwise have been paid.

(4) Current law MAY NOT REQUIRE your present insurer(s) to REFUND any premiums.

(5) It is to your advantage to OBTAIN INFORMATION regarding your existing policies or annuity contracts [From the insurer or agent from whom you purchased the policy or annuity contract.]

(If you are purchasing an annuity, clauses (1), (2), and (3) above would not apply to the new annuity contract.)

THE INSURANCE OR ANNUITY I INTEND TO PURCHASE FROM ______________________________ INSURANCE CO. MAY REPLACE OR ALTER EXISTING LIFE INSURANCE POLICY(IES) OR ANNUITY CONTRACT(S).

The following policy(ies) or annuity contract(s) may be replaced as a result of this transaction:

Insurer as it appears on the policy or contract	**Insured as it appears on the policy or contract**
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________

Policy or contract number	**Insured birthdate**
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________

The proposed policy or contract is:

______________________________ $______________
type of policy– or contract–generic name face amount

______________________________ ______________
signature of applicant date

____
address of applicant city state

I certify that this form was given to and completed by

____
(applicant–please print or type)

prior to taking an application and that I am leaving a signed copy for the applicant.

agent's signature date

address

city state

Note important statement on reverse side

[For text of subds 2 to 4, see M.S.1998]

History: *1999 c 177 s 35*