Bulletin:

ANNUAL PURE ENDOWMENT BENEFIT ISSUED AS PART OF LIFE INSURANCE POLICY

November 30, 1970

The Annual Coupon benefit has not been permitted to be issued in North Dakota for several years. It has come unmistakably to our attention that the presently permitted Annual Pure Endowment benefit has been misrepresented and mis-sold by a certain proportion of writing agents, with or without the knowledge and acquiescence of the companies involved. The facts would indicate that the Annual Pure Endowment benefit is one that is particularly susceptible of being misrepresented by the agent with the primary objective of self-serving the agent. We consider this benefit not to be in the best interests of the insurance buying public in this State.

Accordingly, effective on and after April 1, 1971, no policy of individual life insurance, which includes the Annual Pure Endowment benefit, will be permitted to be issued in North Dakota. Moreover, no variation of periodic pure endowment benefit, which would appear to have been designed to provide benefits essentially similar to those provided by the customary Annual Pure Endowment benefit, will be permitted to be issued in this State in conjunction with an individual life insurance policy, on or after April 1, 1971. This prohibition will apply both to such benefit included as an integral part of the basic policy benefits and to such benefit attached to the basic policy by rider or endorsement.

J. O. WIGEN
Commissioner of Insurance