Glenn Pomeroy
Commissioner of Insurance

DEPARTMENT OF INSURANCE
STATE OF NORTH DAKOTA

BULLETIN 96-2

TO: All Life Insurance Carriers Licensed in North Dakota

FROM: Glenn Pomeroy, Commissioner

DATE: November 1, 1996

SUBJECT: Life Insurance Illustrations Model Regulation and the Life Insurance Solicitation Regulation

---

SCOPE AND APPLICABILITY

This bulletin pertains to all life insurance companies licensed in North Dakota. The North Dakota Insurance Department recently adopted the Life Insurance Illustrations Model Regulation, N.D. Admin. Code Ch. 45-04-01.1, and made minor changes to the Life Insurance Solicitation Regulation, N.D. Admin. Code Ch. 45-04-01. The purpose of this bulletin is to provide guidance for companies which are implementing these changes to their operations. It is not meant to be substituted for a thorough reading and analysis of these regulations.

NOTIFICATION

As required by N.D. Admin. Code § 45-04-01.1-03, carriers must notify the Department by January 1, 1997, whether an illustration will be used with a particular policy form or not. A company must notify the Department of its illustration intentions as to each policy form approved in North Dakota. A listing of all non-variable and non-credit life insurance forms, with an indication of whether or not an illustration will be used, will suffice. Please note that policy forms offered without illustrations are prohibited from illustrating or providing to an applicant any values other than those guaranteed by the company.

(over)

CERTIFICATION

Certifications required by the illustration actuary and a responsible officer, as stated in N.D. Admin. Code § 45-04-01.1-09, must be provided to the Department by January 1, 1997. Subsequent to this initial certification, the annual certifications can be provided on a date of the company's choosing. N.D. Admin. Code § 45-04-01.1-09(7). The date chosen by the company should be adhered to for all subsequent years. A separate certification is required from the responsible officer and illustration actuary for each new policy form in accordance with N.D. Admin. Code § 45-04-01.1-09(4)(a).

FILING

Companies are not required to file proposed illustrations with the Department prior to their use. If the Department receives any information which would require a review of a company's illustrations, the Department will request such information as needed.

QUESTIONS AND ANSWERS

The question and answer document distributed by the NAIC Life Disclosure Working Group generally can be relied upon in North Dakota. The Department reviews all situations with the goal of insuring the fair treatment of all applicants and policy owners, as well as companies, in mind.

POLICY SUMMARY

Please note that policy forms which are to be illustrated will use the basic illustration for the required policy summary. For policy forms offered without illustrations, the policy summary described in the N.D. Admin. Code Ch. 45-04-01 requires the use of guaranteed values only.

GP/njb