



DEPARTMENT OF INSURANCE
STATE OF NORTH DAKOTA

Glenn Pomeroy
Commissioner of Insurance

BULLETIN 99-2

TO: All Life Insurance Carriers Writing Business in North Dakota
FROM: Glenn Pomeroy, Commissioner *Glenn Pomeroy*
DATE: February 18, 1999
SUBJECT: Rescission of Bulletin 98-3 - Interest-Bearing Accounts as a Settlement Option

The Department issued Bulletin 98-3 on September 28, 1998, which prohibited the placement of death proceeds into interest-bearing accounts or retained asset accounts (RAAs) unless the consumer affirmatively chose to place the settlement proceeds into such an account. Bulletin 98-3 also required that an affirmative choice be given to the claimant and that the affirmative choice must be included in the claimant statement form which must offer the consumer a choice of all settlement options in the contract. The settlement options must include a lump sum settlement.

It has come to the Department's attention that some policy forms may have been approved containing a provision for RAAs which is inconsistent with Bulletin 98-3 and that such contracts may have been placed in use. As such, the Department is concerned that Bulletin 98-3 may interfere with existing contracts and intends to research this issue further. Therefore, in response to this new information and pending further review by the Department, **Bulletin 98-3 is rescinded effective the date of this bulletin.**

GP/njb