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State of Utah

INSURANCE DEPARTMENT

D. Kent Michie
Commissioner

BULLETIN 2009-2

To: All Life Insurance Companies
From: D. Kent Michie, Utah Insurance Commissioner
Date: March 2, 2009
Subject: **Application of Standard Nonforfeiture Law for Life Insurance to Return of Premium Benefits.**

The purpose of this bulletin is to inform life insurance companies of a change in the Utah Insurance Department's review of a particular type of life insurance product.

In the past, the department received filings for forms that offer a cash benefit at a specified time, typically at the end of the level premium period but many years prior to the policy's expiry date. Often, the cash benefit is based on the amount of premiums paid for the policy and is referred to as a return of premium benefit. In many instances, the department found that these products failed to comply with the Standard Nonforfeiture Law for Life Insurance, Utah Code Annotated (U.C.A.) §31A-22-408.

Recently, the National Association of Insurance Commissioners adopted Actuarial Guideline XLV (Guideline) that clarifies the application of the standard nonforfeiture law for these types of products. The Utah Insurance Department considers the guidance provided in the Guideline to be appropriate and consistent with U.C.A. §31A-22-408. The department will now accept filings for products that fall within the scope of the Guideline as long as a demonstration of compliance with Actuarial Guideline XLV is provided.

If you have questions regarding this bulletin, please contact Tomasz Serbinowski, Actuary, by telephone at 801 537-9289 or email to tserbinowski@utah.gov.

DATED this 2nd Day of March 2009.


D. Kent Michie
Insurance Commissioner