

11 NCAC 12 .0710 ACTUARIALLY EQUIVALENT: CREDIT LIFE

With respect to G.S. 58-57-40 entitled "Credit Life Insurance Rate Standards", for credit life insurance on a basis other than the foregoing, premiums charged shall be actuarially equivalent, is interpreted by the department to mean that the actuarially equivalent rates must maintain a sixty percent loss ration and must exhibit a composite rate equal to the appropriate prima facie rate. The loss ratio shall be calculated by dividing the present value of future benefits by the present value of future premiums. In calculating the present value both interest and mortality rate used should reflect anticipated company experience.

*History Note: Authority G.S. 58-2-40; 58-57-40;
 Eff. April 1, 1989;
 Amended Eff. April 8, 2002;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1,
 2018.*