11 NCAC 04 .0503 ILLUSTRATED POLICIES

(a) Each insurer marketing policies regulated by this Section shall notify the Commissioner whether a policy form is to be marketed with or without an illustration. For all policy forms being marketed on the effective date of this Section, the insurer shall identify in writing those policy forms and whether or not an illustration will be used with them. For policy forms filed after the effective date of this Section, the identification shall be made at the time of filing. Any previous identification may be changed by notice to the Commissioner.

(b) If the insurer identifies a policy form as one to be marketed without an illustration, any use of an illustration before the first policy anniversary for any policy form using that policy is prohibited.

(c) If a policy form is identified by an insurer as one to be marketed with an illustration, the insurer shall prepare and deliver a basic illustration in accordance with this Section, except that a basic illustration need not be provided to individual members of a single employer group or to individuals insured under multiple lives coverage issued to a single applicant unless the coverage is marketed to those individuals. The illustration furnished to an applicant for a group policy issued to a single applicant on multiple lives may be either an individual or composite illustration representative of the coverage on the lives of members of the group or the multiple lives covered.

(d) As used in this Paragraph, "non-term group life" means a group policy or individual policies of traditional permanent or universal life insurance issued to members of a single employer group where:

(1) Every plan of coverage was selected by the employer.

(2) The premium is paid by the employer or through payroll deduction.

(3) Group underwriting or simplified underwriting is used.

Potential enrollees for policies and certificates of non-term group life subject to this Section shall be furnished a quotation with the enrollment materials. The quotation shall show potential policy values for sample ages and policy years on a guaranteed and non-guaranteed basis appropriate to the group and the coverage. This quotation shall not be considered an illustration for purposes of this Section, but all information provided shall be consistent with the illustrated scale. A basic illustration shall be provided at delivery of the policy or certificate to enrollees for non-term group life who enroll for more than the minimum premium necessary to provide pure death benefit protection. In addition, the insurer shall make a basic illustration available to any non-term group life enrollee who requests it.

History Note: *Authority G.S. 58-2-40; 58-58-1; 58-58-40; 58-60-15; 58-60-20; 58-63-15; 58-63-65;*
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