

WAC 284-74-320 Applicability. This regulation shall apply to all life insurance policies, with or without nonforfeiture values, issued on or after the operative date of this regulation, subject to the following exceptions and conditions.

(1) (a) This regulation shall not apply to any individual life insurance policy issued on or after the operative date of this regulation if the policy is issued in accordance with and as a result of the exercise of a reentry provision contained in the original life insurance policy of the same or greater face amount, issued before the operative date of this regulation, that guarantees the premium rates of the new policy. This regulation also shall not apply to subsequent policies issued as a result of the exercise of such a provision, or a derivation of the provision, in the new policy.

(b) This regulation shall not apply to any universal life insurance policy that meets all the following requirements:

(i) The secondary guarantee period, if any, is five years or less;

(ii) The specified premium for the secondary guarantee period is not less than the net level reserve premium for the secondary guarantee period based on the 1980 CSO valuation tables as defined in WAC 284-74-330(6) and the applicable valuation interest rate; and

(iii) The initial surrender charge is not less than one hundred percent of the first year annualized specified premium for the secondary guarantee period.

(c) This regulation shall not apply to any variable life insurance policy that provides for life insurance, the amount or duration of which varies according to the investment experience of any separate account or accounts.

(d) This regulation shall not apply to any variable universal life insurance policy that provides for life insurance, the amount or duration of which varies according to the investment experience of any separate account or accounts.

(e) This regulation shall not apply to a group life insurance certificate unless the certificate provides for a stated or implied schedule of maximum gross premiums required in order to continue coverage in force for a period in excess of one year.

(2) (a) Calculation of the minimum valuation standard for policies with gross premiums subject to a nonlevel guaranteed maximum or with benefits subject to a nonlevel guaranteed minimum (other than universal life policies), or both, shall be in accordance with the provisions of WAC 284-74-350.

(b) Calculation of the minimum valuation standard for flexible premium and fixed premium universal life insurance policies, that contain provisions resulting in the ability of a policyholder to keep a policy in force over a secondary guarantee period, shall be in accordance with the provisions of WAC 284-74-360.

[Statutory Authority: RCW 48.02.060, 48.74.030, 48.74.040, 48.74.070, and 48.74.080. WSR 00-07-069, § 284-74-320, filed 3/13/00, effective 4/13/00.]