

191—92.6(508) Mandatory policy provisions.

92.6(1) *Periodic disclosure to policyholder.* The policy shall provide that the policyowner be sent, without charge, at least annually, a report which will serve to keep such policyowner advised as to the status of the policy. The end of the current report period must be not more than three months prior to the date of the mailing of the report. Specific requirements for this report are detailed in rule 191—92.8(508).

92.6(2) *Current illustrations.* The annual report shall provide notice that the policyholder may request an illustration of current and future benefits and values.

92.6(3) *Policy guarantees.* The policy shall provide guarantees of minimum interest credits and maximum mortality and expense charges. All values and data shown in the policy shall be based on guarantees. Figures based on nonguarantees shall not be included in the policy.

92.6(4) *Calculation of cash surrender values.* The policy shall contain at least a general description of the calculation of cash surrender values including the following information:

- a. The guaranteed maximum expense charges and loads;
- b. Any limitation on the crediting of additional interest. Interest credits shall not remain conditional for a period longer than 24 months;
- c. The guaranteed minimum rate or rates of interest;
- d. The guaranteed maximum mortality charges;
- e. Any other guaranteed charges; and
- f. Any surrender or partial withdrawal charges.

92.6(5) *Changes in basic coverage.* If the policyowner has the right to change the basic coverage, any limitation on the amount or timing of such change shall be stated in the policy. If the policyowner has the right to increase the basic coverage, the policy shall state whether new periods for contestability or suicide apply to the additional amount of coverage.

92.6(6) *Grace period and lapse.* The policy shall provide that written notice be sent to the policyowner's last-known address at least 30 days prior to termination of coverage. A flexible premium policy shall provide for a grace period of at least 30 days after lapse. Unless otherwise defined in the policy, lapse shall occur on that date on which the net cash surrender value first equals zero.

92.6(7) *Misstatement of age or sex.* If there is a misstatement of age or sex in the policy, the amount of the death benefit shall be that which would be purchased by the most recent mortality charge at the correct age or sex. The commissioner may approve other methods which are deemed satisfactory.

92.6(8) *Maturity date.* If a policy provides for a maturity date, end date, or similar date, then the policy shall also contain a statement, in close proximity to that date, noting that it is possible that coverage may not continue to the maturity date even if scheduled premiums are paid in a timely manner, if such is the case.