

191—14.6(507B) General rules and prohibitions.

14.6(1) An illustration used in the sale of a life insurance policy shall satisfy the applicable requirements of these rules, be clearly labeled “life insurance illustration” and contain the following basic information:

- a.* Name of insurer;
- b.* Name and business address of producer or insurer’s authorized representative, if any;
- c.* Name, age and sex of proposed insured, except where a composite illustration is permitted under these rules;
- d.* Underwriting or rating classification upon which the illustration is based;
- e.* Generic name of policy, the company product name, if different, and form number;
- f.* Initial death benefit; and
- g.* Dividend option election or application of nonguaranteed elements, if applicable.

14.6(2) When using an illustration in the sale of a life insurance policy, an insurer or its producers or other authorized representatives shall not:

- a.* Represent the policy as anything other than a life insurance policy;
- b.* Use or describe nonguaranteed elements in a manner that is misleading or has the capacity or tendency to mislead;
- c.* State or imply that the payment or amount of nonguaranteed elements is guaranteed;
- d.* Use an illustration that does not comply with the requirements of these rules;
- e.* Use an illustration that at any policy duration depicts policy performance more favorable to the policyowner than that produced by the illustrated scale of the insurer whose policy is being illustrated;
- f.* Provide an applicant with an incomplete illustration;
- g.* Represent in any way that premium payments will not be required for each year of the policy in order to maintain the illustrated death benefits, unless that is the fact;
- h.* Use the term “vanish” or “vanishing premium” or a similar term that implies the policy becomes paid up, to describe a plan for using nonguaranteed elements to pay a portion of future premiums;
- i.* Except for policies that can never develop nonforfeiture values, use an illustration that is “lapse-supported”; or
- j.* Use an illustration that is not “self-supporting.”

14.6(3) If an interest rate used to determine the illustrated nonguaranteed elements is shown, it shall not be greater than the earned interest rate underlying the disciplined current scale.