

11 NCAC 11F .0208 RESERVES FOR WAIVER OF PREMIUM

(a) Tabular reserves using the 1964 CDT, 1985 CIDA or 1985 CIDB tables, i.e. disability valuation tables based on exposures that include contracts on premium waiver as in-force contracts, shall value reserves on the following basis:

- (1) Claim reserves shall include reserves for premiums expected to be waived, valuing as a minimum the valuation net premium being waived.
- (2) Premium reserves shall include contracts on premium waiver as in-force contracts, valuing as a minimum the unearned modal valuation net premium being waived.
- (3) Contract reserves shall include recognition of the waiver of premium benefit in addition to other contract benefits provided for, valuing as a minimum the valuation net premium to be waived.

(b) If an insurer is valuing reserves on what is truly an active life table, or if a specific valuation table is not being used but the insurer's gross premiums are calculated on a basis that includes in the projected exposure only those contracts for which premiums are being paid, then it shall still be necessary to provide specifically for waiver of premium reserves.

*History Note: Filed as a Temporary Adoption Eff. January 21, 1994, For a Period of 180 Days or Until the Permanent Rule Becomes Effective, Whichever is Sooner;
Statutory Authority G.S. 58-2-40; 58-58-50(k);
Eff. April 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*