

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**500.3928 Fixed indivisible premium life insurance policy funding long-term care benefits by accelerating death benefit; reasonableness of benefits relative to premiums; provisions.**

Sec. 3928.

A fixed indivisible premium life insurance policy that funds long-term care benefits entirely by accelerating the death benefit is considered to provide reasonable benefits in relation to premiums provided that the policy complies with all of the following provisions:

- (a) Premiums required to be paid are fixed and guaranteed for the life of the policy.
- (b) The guaranteed cash surrender value is stated in the policy.
- (c) The death benefit and long-term care benefits are guaranteed for the life of the policy, and the policy contains the schedule of the guarantees.
- (d) The risk charges for mortality and morbidity benefits and any other charges made internally to determine cash value accumulations, if any, are guaranteed not to exceed the maximum charges set forth in the policy.
- (e) The interest credited internally to determine cash value accumulations, if any, are guaranteed not to be less than the minimum interest rate set forth in the policy.
- (f) The benefits cannot be terminated by the insurer except for nonpayment of premium.
- (g) The policy meets the nonforfeiture requirements of chapter 40.
- (h) At the time of issue, the policy is accompanied by an illustration that clearly discloses the year-by-year progression of cash values and face amount.
- (i) The policy provides that the policy owner is supplied annually with a report showing the current cash value, death benefit, and long-term care benefits, and shows the calculation of the change in the cash value from the previous report by the addition of interest and premium payments, if any, and the deduction of the risk charges and any other charges.

**History:** Add. 1992, Act 84, Imd. Eff. June 2, 1992

**Popular Name:** Act 218