

Sec. 38a-435-2. Definitions

As used in section 38a-435-1 to section 38a-435-8, inclusive, of the Regulations of Connecticut State Agencies:

(1) “Commissioner” means the Insurance Commissioner.

(2) “Contract” means an annuity contract.

(3) “Direct response solicitation” means a solicitation through a sponsoring or endorsing entity or individually solely through mail, telephone, the Internet or other mass communication media.

(4) “Existing insurer” means the insurance company whose existing policy or contract is or will be changed or affected in a manner described within the definition of “replacement”.

(5) “Existing policy or contract,” “existing policy,” or “existing contract” means an individual policy or contract, as applicable, in force, including a policy under a binding or conditional receipt or a policy or contract that is within an unconditional refund period.

(6) “Financed purchase” means the purchase of a new policy involving the actual or intended use of funds obtained by the withdrawal or surrender of, or by borrowing from values of an existing policy to pay all or part of any premium due on the new policy. For purposes of an individual transaction only, if a withdrawal, surrender or borrowing involving the policy values of an existing policy is used to pay premiums on a new policy owned by the same policy owner and issued by the same company no more than four (4) months before or no more than thirteen (13) months after the effective date of the new policy, it will be deemed *prima facie* evidence of the policy owner’s intent to finance the purchase of the new policy with existing policy values. This *prima facie* standard shall not affect the monitoring obligations contained in section 38a-435-4(a)(5) of the Regulations of Connecticut State Agencies.

(7) “Illustration” means a presentation or depiction that includes non-guaranteed elements of a policy of life insurance over a period of years.

(8) “Policy” means a life insurance policy.

(9) “Policy summary”:

(A) For policies or contracts other than universal life policies, means a written statement regarding such policy or contract which shall contain to the extent applicable, but need not be limited to, the following information: current death benefit; annual contract premium; current cash surrender value; current dividend; application of current dividend; and amount of outstanding loan.

(B) For universal life policies, means a written statement that shall contain at least the following information: the beginning and end date of the current report period; the policy value at the end of the previous report period and at the end of the current report period; the total amounts that have been credited or debited to the policy value during the current report period, indentifying each by type (e.g., interest, mortality, expense and riders); the current death benefit at the end of the current report period on each life covered by the policy; the net cash surrender value of the policy as of the end of the current report period; and the amount of outstanding loans, if any, as of the end of the current report period.

(8) “Producer,” has the same meaning as provided in section 38a-702a of the Connecticut General Statutes.

(9) “Replacing insurer” means the insurance company that issues or proposes to issue a

new policy or contract that replaces an existing policy or contract or is a financed purchase.

(10) "Registered contract" means a variable annuity contract or variable life insurance policy subject to the prospectus delivery requirements of the Securities Act of 1933.

(11) "Replacement" means a transaction in which a new policy or contract is to be purchased, and it is known or should be known to the proposing producer, or to the proposing insurer if there is no producer, that by reason of the transaction, an existing policy or contract has been or is to be:

(b) Lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing insurer or otherwise terminated;

(c) Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values;

(d) Amended so as to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid;

(e) Reissued with any reduction in cash value; or

(f) Used in a financed purchase.

(12) "Sales material" means an illustration and any other written, printed or electronically presented information created, completed or provided by the insurance company or producer and used in the presentation to the policy or contract owner related to the policy or contract purchased.

(Effective July 23, 2013)