6.6.8507 STANDARDS FOR EVALUATION OF REASONABLE PAYMENTS

(1) In order to assure that viators receive a reasonable return for viaticating an insurance policy, the following shall be minimum discounts when the insured is terminally ill:

Insured's Life Expectancy	Minimum Percentage of Net Death Benefit
Less than 6 months	80%
At least 6 but less than 12 months	70%
At least 12 but less than 18 months	65%
At least 18 but no greater than 24 months	60%
24 months or more	50%

(2) If the insured is not terminally ill or chronically ill, the viator must receive at least the greater of the cash surrender value or accelerated death benefit of the policy.

(3) If the insured is chronically ill but not terminally ill, the viator must receive at least 30% of the net death benefit.

(4) Except where the cash surrender value or accelerated death benefit is paid, the percentage may be reduced by 5% for viaticating a policy for which the insurer of the policy has an A.M. Best rating that is at or below a marginal rating.

Authorizing statute(s): 33-20-1315, MCA

Implementing statute(s): 33-20-1315, MCA

History: NEW, 2000 MAR p. 3155, Eff. 11/10/00; AMD, 2005 MAR p. 71, Eff. 1/14/05; AMD, 2005 MAR p. 2650, Eff. 12/23/05.