



ADMINISTRATIVE RULES OF MONTANA



6.6.6720 PURPOSE AND INTENT

- (1) The purpose and intent of ARM 6.6.6720 through 6.6.6727 is to establish uniform, national standards governing reserve financing arrangements pertaining to life insurance policies containing guaranteed nonlevel gross premiums, guaranteed nonlevel benefits and universal life insurance policies with secondary guarantees; and to ensure that, with respect to each such financing arrangement, funds consisting of primary security and other security, as defined in ARM 6.6.6723, are held by or on behalf of ceding insurers in the forms and amounts required herein.
- (2) In general, reinsurance ceded for reserve financing purposes has one or more of the following characteristics:
 - (a) some or all of the assets used to secure the reinsurance treaty or to capitalize the reinsurer:
 - (i) are issued by the ceding insurer or its affiliates; or
 - (ii) are not unconditionally available to satisfy the general account obligations of the ceding insurer; or
 - (iii) create a reimbursement, indemnification, or other similar obligation on the part of the ceding insurer or any of its affiliates (other than a payment obligation under a derivative contract acquired in the normal course and used to support and hedge liabilities pertaining to the actual risks in the policies ceded pursuant to the reinsurance treaty).

Authorizing statute(s): 33-1-313, 33-2-1517, MCA

Implementing statute(s): 33-2-1216, 33-2-1217, MCA

History: NEW, 2022 MAR p. 1691, Eff. 9/1/22.