



LIFE INSURANCE DISCLOSURES

House Bill 5535

Sponsor: Rep. David Gubow

Committee: Insurance

Complete to 3-2-98

A SUMMARY OF HOUSE BILL 5535 AS INTRODUCED 2-4-98

The Insurance Code requires life insurance salespersons to furnish to an applicant a statement of policy information at the time of taking an application for a policy. The illustration of policy premium, death benefit, and cash value must be shown for "the current interest rate actually being paid on existing policies in force and for the interest rate guaranteed in the policy. No interest rate other than these may be illustrated." House Bill 5535 would specify that the illustration of policy premium, death benefit, and cash value must be shown for "an interest rate no higher than the current interest rate actually being paid on currently issued policies and for the interest rate guaranteed in the policy." The bill would specify that "interest rates higher than these shall not be illustrated."

MCL 500.4038

House Bill 5535 (3-2-98)

Analyst: C. Couch

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