

# Administrative Rule Analysis

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## **TERM AND UNIVERSAL LIFE INSURANCE RESERVE FINANCING**

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<http://www.house.mi.gov/hfa>

**Rule Set No.: 2023-64 IF**  
**Submitted to JCAR on: 1/30/25**

Analysis available at  
<http://www.legislature.mi.gov>

**Department: Insurance and Financial Services**  
**Agency: Insurance**  
**Enabling Statute: Insurance Code of 1956, 1956 PA 218, MCL 500.210 and 500.1106, et seq.**

**Analysis Complete to: 3/25/25**

## **BACKGROUND AND SUMMARY OF PROPOSED RULES**

Rule Set 2023-64 IF would adopt the Term and Universal Life Insurance Reserve Financing Model Regulation #787 by the National Association of Insurance Commissioners (NAIC). The changes would accomplish the following:

- Add definitions.
- Specify exemptions to the rules.
- Describe the actuarial method that must be used.
- Provide requirements for credit for reinsurance.
- Prohibit insurers from purposefully attempting to avoid the requirements of the rules.

## **FISCAL IMPACT OF PROPOSED RULES**

2023-64 IF is not anticipated to affect the expenditures or revenues of any state or local government units.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.