**Section 1406.30 Definitions**

"Actuarial Standards Board" or "ASB" means the board established by the American Academy of Actuaries to develop and promulgate standards of actuarial practice.

"Contract Premium" means the gross premium that is required to be paid under a fixed premium policy, including the premium for a rider for which benefits are shown in the illustration.

"Currently Payable Scale" means a scale of non-guaranteed elements in effect for a policy form as of the preparation date of the illustration, or declared to become effective within the next 95 days after the preparation date.

"Director" means the Director of the Illinois Department of Insurance.

"Disciplined Current Scale" means a scale of non-guaranteed elements constituting a limit on illustrations currently being illustrated by an insurer that is reasonably based on actual recent historical experience, as certified annually by an illustration actuary designated by the insurer.

"Generic Name" means a short title descriptive of the policy being illustrated, such as "Whole Life", "Term Life" or "Flexible Premium Adjustable Life".

"Guaranteed Elements" and "Non-guaranteed Elements" mean:

"Guaranteed Elements" means the premiums, benefits, values, credits or charges under a policy of individual or group life insurance that are guaranteed and determined at the time of issuance.

"Non-guaranteed Elements" means the premiums, benefits, values, credits or charges under a policy of individual or group life insurance that are not guaranteed or not determined at the time of issuance.

"Illustrated Scale" means a scale of non-guaranteed elements currently being illustrated that is not more favorable to the policy owner than the lesser of:

The disciplined current scale; or

The currently payable scale.

"Illustration" means a presentation or depiction that includes non-guaranteed elements of a policy of individual or group life insurance over a period of years and that is one of the 3 types defined below:

"Basic Illustration" means a ledger or proposal used in the sale of an individual or group life insurance policy that shows both guaranteed and non-guaranteed elements.

"Supplemental Illustration" means an illustration furnished in addition to a basic illustration that meets the applicable requirements of this Part, and that may be presented in a format differing from the basic illustration, but may only depict a scale of non-guaranteed elements that is permitted in a basic illustration.

"In Force Illustration" means an illustration furnished at any time after the policy that it depicts has been in force for one year or more.

"Illustration Actuary" means an actuary meeting the requirements of Section 1406.100 who certifies that illustrations are based on the standard of practice promulgated by the Actuarial Standards Board.

"Lapse-supported Illustration" means an illustration of a policy form for individual or group life insurance failing the test of self-supporting as defined in this Section, under a modified persistency rate assumption using persistency rates underlying the disciplined current scale for the first 5 years and 100% policy persistency thereafter.

"Minimum Assumed Expenses" means the minimum expenses that may be used in the calculation of the disciplined current scale for a policy form.

The insurer may choose to designate each year the method of determining assumed expenses for all policy forms from the following:

Fully allocated expenses;

Marginal expenses; and

A generally recognized expense table based on fully allocated expenses representing a significant portion of insurance companies and approved by the National Association of Insurance Commissioners (NAIC) or by the Director.

Marginal expenses may be used only if greater than a generally recognized expense table. If no generally recognized expense table is approved, fully allocated expenses must be used.

"Non-term Group Life" means a group policy or individual policies of life insurance issued to members of a group when:

Every plan of coverage was selected by the employer or other group representative;

Some portion of the premium is paid by the group or through payroll deduction; and

Group underwriting or simplified underwriting is used.

"Policyowner" means the owner named in the policy or the certificateholder in the case of a group policy.

"Premium Outlay" means the amount of premium assumed to be paid by the policyowner or other premium payer out-of-pocket.

"Self-supporting Illustration" means an illustration of a policy form, either individual or group, for which it can be demonstrated that, when using experience assumptions underlying the disciplined current scale, for all illustrated points in time on or after the fifteenth policy anniversary or the twentieth policy anniversary for last survivor policies (or upon policy expiration if sooner), the accumulated value of all policy cash flows equals or exceeds the total policyowner value available. For this purpose, policyowner value will include cash surrender values and any other illustrated benefit amounts available at the policyowner's election.

(Source: Amended at 43 Ill. Reg. 9228, effective August 19, 2019)