**Section 1411.50 Policy and Group Certificate Requirements and Disclosures**

a) Periodic Disclosure

The policy shall provide that the individual policyowner or group certificateholder will be sent, without charge, at least annually, a report that will serve to keep the policyowner or group certificateholder advised as to the status of the policy. The end of the current report period must be not more than 3 months previous to the date of the mailing of the report. Specific requirements of this report are detailed in Section 1411.60 of this Part.

b) Current Illustrations

The annual report shall provide notice that the individual policyowner or group certificateholder may request an illustration of current and future benefits and values, as required by 50 Ill. Adm. Code 1406, when the policy is illustrated.

c) Policy Guarantees

The policy shall provide guarantees of minimum interest credits and maximum mortality and expense charges. All values and data shown in the policy or group certificate shall be based on guarantees. No figures based on nonguarantees shall be included in the policy or group certificate.

d) Calculation of Cash Surrender Values

The individual policy or group certificate shall contain at least a general description of the calculation of cash surrender value including the following information:

1) The guaranteed maximum expense charges and loads.

2) Any limitation on the crediting of additional interest. Interest credits shall not remain conditional for a period longer than 24 months.

3) The guaranteed minimum rate or rates of interest.

4) The guaranteed maximum mortality charges.

5) Any other guaranteed charges.

6) Any surrender or partial withdrawal charges.

e) Changes in Basic Coverage

If the policyowner or group certificateholder has the right to change the basic coverage, any limitation on the amount or timing of such change shall be stated in the policy. If the individual policyowner or group certificateholder has the right to increase the basic coverage, the individual policy or group certificate shall state whether a new period of contestability and/or suicide is applicable to the additional coverage.

f) Grace Period and Lapse

The group or individual policy shall provide for written notice to be sent to the individual policyowner's or group certificateholder’s last known address at least 30 days prior to termination of coverage. A flexible premium policy shall provide for a grace period after lapse, either of 30 days or of 1 month for individual policies or 31 days for group policies, as required by Sections 224 and 231.1 of the Code. Unless otherwise defined in the policy, lapse shall occur on that date on which the net cash surrender value first equals zero.

g) Misstatement of Age

If there is a misstatement of age in the individual application or group enrollment form, the policy shall provide that the amount of the death benefit shall be that which would be purchased by the most recent mortality charge at the correct age.

h) Maturity Date

If an individual policy or group certificate provides for a "maturity date," "end date," or similar date, then the policy or group certificate shall also contain a statement, in close proximity to that date, that it is possible that coverage may not continue to the maturity date even if scheduled premiums are paid in a timely manner, if such is the case.

i) Disclosure Requirements

Disclosure of information about the policy being applied for shall follow the standards in 50 Ill. Adm. Code 1406.

(Source: Amended at 47 Ill. Reg. 133, effective December 20, 2022)