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**DIVISION OF INSURANCE**

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TO: Insurers Offering Life Insurance Policies and Annuity Contracts in Massachusetts

FROM: Lorraine E. Young, Director of Policy Form Review

DATE: March 1, 2006

RE: Guidance When Filing Policy Forms with the Massachusetts Division of Insurance to Demonstrate Compliance with M.G.L. Chapter 175, §132 (8)

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The purpose of this notice is to provide all life insurance and annuity carriers with guidance when filing policy forms in Massachusetts about what to file to demonstrate compliance with M.G.L. c.175, §132(8).

M.G.L. c.175, §132 states in relevant part:

No policy of life or endowment insurance and no annuity, survivorship annuity or pure endowment contract shall be issued or delivered in the commonwealth until a copy of the form thereof has been on file for thirty days with the commissioner, unless before the expiration of said thirty days he shall have approved the form of the policy or contract in writing; nor if the commissioner notifies the company in writing, within said thirty days, that in his opinion the form of the policy or contract does not comply with the laws of the commonwealth, specifying his reasons therefor, provided that such action of the commissioner shall be subject to review by the supreme judicial court; nor shall any such policy or contract, except as hereinafter provided, and **except annuity or pure endowment contracts**, whether or not they embody an agreement to refund to the estate of the holder upon his death or to a specified payee any sum not exceeding the premiums paid thereon with compound interest, **and except survivorship annuity contracts**, be so issued or delivered unless it contains in substance the following....

Table of Guaranteed Values

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8. A table showing in figures the loan values, if any, and the amounts of the cash surrender values and the paid-up nonforfeiture benefits, if any, available under the policy on each anniversary thereof during the first twenty years of the policy. (Emphasis added).

The Division recognizes that guaranteed values for flexible premium, limited flexible premium, and variable life insurance products cannot be determined for the first twenty years of the contract at the time the policy is issued and has modified product filing requirements accordingly.

Effective March 1, 2006, for all life insurance and annuity product filings currently under review and all filing received going forward, filing requirements to demonstrate compliance with clause 8 of M.G.L. c.175, §132 are as follows.

- **Annuity contracts:** A table of guaranteed values is not required
- **Variable life insurance policies:** A table of guaranteed values is not required
- **Flexible premium, limited flexible premium and single premium life insurance policies:** A table of guaranteed values is not required
- **Scheduled premium life insurance policies:** A table of guaranteed values based on present values in calculated dollar amounts is required.
- For all product filings where a table of guaranteed values is required:
  - Compliance to M.G.L. c.175, §132(8) is required.
  - Guaranteed values should not reflect partial surrenders.
  - Bracketed information is to be explained in a Statement of Variability that defines the range, scope and/or conditions of the bracketed information.
  - All assumptions used in determining the values contained within the table are to be explained in a legend located directly below the table of guaranteed values.

Please refer all inquiries regarding this notice to Lorraine E. Young, Director Policy Form Review at (617) 521-7343 or via email at [lorraine.e.young@state.ma.us](mailto:lorraine.e.young@state.ma.us).