

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**500.729 Individual insurance policies; minimum morbidity standards for disability income benefits; basis of contract reserve standards for certain hospital, surgical, and maternity benefits; basis of contract reserve standards for certain cancer expense benefits and accidental death benefits.**

Sec. 729. (1) The following minimum morbidity standards for disability income benefits for individual health insurance policies shall be used:

(a) For contract reserves for policies issued on or after the effective date of this chapter, the 1985 commissioners individual disability tables A (85 C.I.D.A.) or the 1985 commissioners individual disability tables B (85 C.I.D.B.) and for policies issued on or after January 1, 1965, and before the effective date of this chapter, the insurer may use either of those tables or the 1964 commissioners disability table (64 C.D.T.). Each insurer shall elect, with respect to all individual policies issued in any 1 annual statement year, whether it will use tables A or tables B as the minimum standard. The insurer may, however, elect to use the other tables with respect to any subsequent annual statement year.

(b) For claim reserves, the minimum morbidity standard in effect for contract reserves as of the date the claim is incurred.

(2) Contract reserve standards for hospital, surgical, and maternity benefits for scheduled or fixed-time period benefits for individual health insurance policies issued on or after January 1, 1955 and before January 1, 1982, shall be based on the 1956 intercompany hospital-surgical tables and for policies issued on or after January 1, 1982, the 1974 medical expense tables, table A, Transactions of the Society Actuaries, volume XXX, page 63.

(3) The contract reserve standards for scheduled or fixed-time period cancer expense benefits shall be based on the 1985 N.A.I.C. cancer claim cost tables for policies issued on or after January 1, 1986.

(4) Contract reserve standards for accidental death benefits shall be based on the 1959 accidental death benefits table for policies issued on or after January 1, 1965.

**History:** Add. 1994, Act 148, Imd. Eff. June 7, 1994.

**Popular name:** Act 218