

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

**500.8186 Standards of valuation for certificates; excess reserves.**

Sec. 8186. (1) Standards of valuation for certificates issued before April 1, 1991 shall be those provided by the laws applicable before April 1, 1990.

(2) The minimum standards of valuation for certificates issued on or after April 1, 1991 shall be under valuation methods and standards, including interest assumptions, in accordance with the laws of this state applicable to life insurers issuing policies containing like benefits and shall be based on the following tables:

(a) For certificates of life insurance, the commissioner's 1980 standard ordinary mortality table or any more recent table made applicable to life insurers.

(b) For annuity and pure endowment certificates, for total and permanent disability benefits, for accidental death benefits, and for noncancelable accident and health benefits, the tables as are authorized for use by life insurers in this state.

(3) The commissioner, in his or her discretion, may accept other standards for valuation if the commissioner finds that the reserves produced thereby will not be less in the aggregate than reserves computed in accordance with the minimum valuation standard prescribed in this section. The commissioner, in his or her discretion, may vary the standards of mortality applicable to all benefit contracts on substandard lives or other extra hazardous lives by any society authorized to do business in this state.

(4) A society, with the consent of the commissioner of insurance of the state of domicile of the society and under conditions, if any, that the commissioner may impose, may establish and maintain reserves on its certificates in excess of the reserves required thereunder, so long as the contractual rights of any benefit member are not affected.

**History:** Add. 1990, Act 1, Eff. Apr. 1, 1990.

**Popular name:** Act 218