

40-234a. Reserves required for accident and health policies; unearned premium reserves. For all individual accident and health and group accident and health insurance policies, the insurer shall maintain reserves which shall place a sound value on its liabilities under such policies and which shall not be less than the reserves according to the standards set forth in regulations issued by the commissioner and, unless otherwise specifically provided herein, less than the gross pro rata unearned premium reserve for such policies. For all individual accident and health and group accident and health insurance policies where the exposure to risk is decreasing in equal amounts during the contract period and where premium refunds on such policies would be computed using only the "sum of the digits" or "rule of 78" method, the insurer shall maintain unearned premium reserves which shall not be less than the gross unearned premium reserves computed using the "sum of the digits" or "rule of 78" unearned premium reserve method.

History: L. 1967, ch. 258, § 1; L. 1980, ch. 129, § 1; L. 1985, ch. 159, § 2; July 1.