



Edition: 12/2008

# FUNDING AGREEMENT CHECKLIST

Life & Health Section  
85 7<sup>th</sup> Place East St. Paul, MN 55101-2198

## **Funding Agreements Are Subject To Minn. Stat. §61A.276**

### **61A.02, Subd. 2 - Approval Required**

1. Please certify that the funding agreement contract meets the requirements of Minn. Stat. §61A.276.
2. Describe the purpose of the funding agreement and to whom the contract may be issued.
3. Confirm that you have reviewed the applicable Departmental Bulletins and that the funding agreement, as issued and as modified by any future amendments, is and will remain in compliance with all Minnesota requirements.
4. If in the filed funding agreement contract there is a need for variability as indicated by the presence of bracketed items, please prepare a separate "statement on variability" to explain the bracketing. This statement should specify the range of variation of each variable contract provision and item that could have a material effect on the risk assumed by your company or the policyholder under the contract (i.e., items such as names and addresses may be omitted).
5. Please provide an actuarial memorandum for the filing. This memorandum should be signed and dated by a qualified actuary and describe the funding agreement product and the reserving methodology and basis that will be employed for the contract. The actuarial memorandum should also state how the business is incorporated into the asset adequacy testing performed by the appointed actuary in support of his/her annual statement of actuarial opinion.
6. The actuarial memorandum should describe how the company's risk management function and investment strategy address the funding agreement business with regard to such matters as liquidity risk, interest rate risk, termination rights and conditions (e.g., market value adjustments), etc.

### **Applicable Departmental Bulletins and Statutes**

- 99-4 Guaranteed Investment Contracts (Includes Funding Agreements)
- 97-2 Funding Agreements & Guaranteed Investment Contracts
- 97-6 Guaranteed Separate Account Contracts
- 61B.28, Subd 7 Notice Requirement Of Policyholder Rights

### **Public Information**

Information filed with the department is considered to be public information. Pursuant to Minn. Stat. §13.37 - General Nonpublic Data, Subd. 1(b) all requests for information to be considered as a "Trade Secret" must be supported within the filing or included with requests for certain information to be considered as "Trade Secret".

### **Use of Brackets**

The department will accept limited use of brackets. Extensive bracketing of sections in a policy indicates that the benefits that affect the rating could be subject to change without possible review by the department. In order to be approved, a policy form must be accompanied by the intended alternate, replacement, and/or additional language. The use of these brackets, within the approved form, will be limited to the alternatives filed by the company.