

Interpretation of the Emerging Accounting Issues Working Group**INT 00-30: Application of SSAP No. 51 Paragraph 6 to Waiver of Deduction on Flexible Premium Universal Life Insurance Policies****ISSUE NULLIFIED BY SSAP NO. 51****INT 00-30 Dates Discussed**

September 12, 2000; December 4, 2000

INT 00-30 References

SSAP No. 51—Life Contracts (SSAP No. 51)

INT 00-30 Issue

1. Flexible premium universal life insurance policies do not require specified premiums as traditional policies do. The “waiver” benefit entities offer is a “waiver of monthly deductions” benefit as opposed to a “waiver of premium” benefit. The difference being specific premiums may or may not be required under the policy regardless of whether the insured is disabled or not. That being the case, when an individual qualifies for “waiver” due to disability, entities cease to calculate and make the deductions from the account value that would otherwise be made, except for the disability. It appears that paragraph 6 of SSAP No. 51 requires premiums and