

(C) (1) AN AMOUNT MAY NOT BE GUARANTEED OR CREDITED UNDER A FUNDING AGREEMENT EXCEPT UPON REASONABLE ASSUMPTION AS TO:

(I) INVESTMENT INCOME AND EXPENSES; AND

(II) ON A BASIS EQUITABLE TO ALL HOLDERS OF FUNDING AGREEMENTS OF A GIVEN CLASS.

(2) A FUNDING AGREEMENT MAY NOT PROVIDE FOR PAYMENT TO, OR BY, THE INSURER BASED ON MORTALITY OR MORBIDITY CONTINGENCY.

~~(D)-(1)--AMOUNTS-PAID-TO-THE-INSURER, AND--PROCEEDS--APPLIED UNDER-OPTIONAL-MODES-OF-SETTLEMENT, UNDER-A-FUNDING-AGREEMENT-MAY BE--ALLOCATED--BY-THE-INSURER-TO-THE-INSURER'S-GENERAL-ACCOUNT-OR TO-ONE-OR-MORE-SEPARATE-ACCOUNTS-UNDER-§§-96A--AND--362--OF--THIS ARTICLE.~~

~~(2)--NOTWITHSTANDING--THE-PROVISIONS-OR-LIMITATIONS-OF §§-96A-AND-362-OF-THIS-ARTICLE, A-SEPARATE--ACCOUNT--FOR--FUNDING AGREEMENT--PROCEEDS--MAY--INCLUDE--FUNDS-FROM-A-SOURCE-AUTHORIZED UNDER-THIS-SECTION-TO-PURCHASE-A-FUNDING-AGREEMENT, PROVIDING-FOR PAYMENT-IN-FIXED-OR-VARIABLE-AMOUNTS.~~

~~(3)--AMOUNTS-ALLOCATED-TO-A-SEPARATE--ACCOUNT--MAY--BE INVESTED--AND--REINVESTED--WITHOUT--REGARD--TO-ANY-REQUIREMENT-OR LIMITATION-PREScribed-BY-THE-LAWS-OF--THIS--STATE--GOVERNING--THE INVESTMENTS-OF-LIFE-INSURANCE-COMPANIES.~~

(D) (1) UNDER A FUNDING AGREEMENT, AMOUNTS PAID TO THE INSURER AND PROCEEDS APPLIED UNDER OPTIONAL MODES OF SETTLEMENT MAY BE ALLOCATED BY THE INSURER TO THE INSURER'S GENERAL ACCOUNT OR TO ONE OR MORE SEPARATE ACCOUNTS.

(2) AMOUNTS ALLOCATED TO THE INSURER'S GENERAL ACCOUNT AND ANY RESULTING ACCUMULATIONS SHALL BE INVESTED AND REINVESTED IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 48A OF THE CODE GOVERNING INVESTMENT OF LIFE INSURANCE COMPANY RESERVES.

(3) AMOUNTS ALLOCATED TO ANY SEPARATE ACCOUNT AND RESULTING ACCUMULATIONS MAY BE INVESTED AND REINVESTED SUBJECT ONLY TO THE PROVISIONS OF ARTICLE 48A, §§ 91, 92, AND 96A (C), (F), (H), (I), AND (J) OF THE CODE AND REGULATIONS ADOPTED PURSUANT TO SUBSECTION (E) OF THIS SECTION.

(E) (1) THE COMMISSIONER MAY ADOPT REGULATIONS RELATING TO:

(I) THE STANDARDS TO BE FOLLOWED IN THE APPROVAL OF FORMS OF FUNDING AGREEMENTS;

(II) THE RESERVES TO BE MAINTAINED BY INSURERS ISSUING FUNDING AGREEMENTS;