

**§12925. Effective Date**

A. This regulation shall become effective upon final publication in the *Louisiana Register* and shall apply to acts or practices committed on or after the effective date.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:1405(J), 1405.1, 1405.2, 1405.3, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 34:666 (April 2008).

## **Chapter 131. Regulation Number 96—Prescribed Minimum Statutory Reserve Liability and Nonforfeiture Standard for Preneed Life Insurance**

**§13101. Authority**

A. Regulation 96 is promulgated by the Commissioner of Insurance pursuant to authority granted under the Louisiana Insurance Code, Title 22, R.S. 22:1 et seq., particularly the Standard Valuation Law, R.S. 22:163.B.(1)(a) and the Standard Nonforfeiture Law for Life Insurance, R.S. 22:168.G.(8)(f).

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 34:2193 (October 2008).

**§13103. Scope**

A. Regulation 96 applies to preneed life insurance policies as defined in §13107 of this regulation. Any discrepancy as to whether a particular insurance contract meets the definition of preneed life insurance as it pertains to this regulation will be resolved by the Commissioner of Insurance.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 34:2193 (October 2008).

**§13105. Purpose**

A. The purpose of Regulation 96 is to establish the 1980 Commissioners Standard Ordinary (CSO) Life Insurance Valuation Mortality Table, defined in §13107, as the required minimum statutory reserve valuation and nonforfeiture value standard for preneed life insurance policies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 34:2193 (October 2008).

**§13107. Definitions**

*2001 CSO Mortality Table*—that mortality table, consisting of separate rates of mortality for male and female lives, developed by the American Academy of Actuaries CSO Task Force from the Valuation Basic Mortality Table developed by the Society of Actuaries Individual Life Insurance Valuation Mortality Task Force, and adopted by the NAIC in December 2002. The 2001 CSO Mortality Table is included in the Proceedings of the NAIC (2nd Quarter 2002). Unless the context indicates otherwise, the "2001 CSO Mortality Table" includes both the ultimate form of that table and the select and ultimate form of that table and includes both the smoker and nonsmoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last-birthday bases of the mortality tables.

*Home Service Contracts*—those life insurance policies and certificates issued by a company that has a home service marketing distribution system as defined under Title 22, the Louisiana Insurance Code, R.S. 22: 1141.C(2). These policies have generally lower life insurance policy face amounts with simplified issue and non-medically underwritten features. The proceeds of these policies are usually used to pay burial and other funeral expenses.

*Preneed Life Insurance*—for purposes of this regulation, is any life insurance policy or certificate that is issued in combination with, in support of, with an assignment to, or as a guarantee for a prearrangement agreement for goods and services to be provided at the time of, and immediately following, the death of the insured. Goods and services may include, but are not limited to, embalming, cremation, body preparation, viewing or visitation, coffin or urn, memorial stone, and transportation of the deceased. For the purpose of this regulation preneed life insurance shall include home service contracts and other similarly underwritten life insurance policies and certificates.

*Ultimate 1980 CSO*—the Commissioners' 1980 Standard Ordinary Life Valuation Mortality Tables (1980 CSO) without 10-year selection factors, incorporated into the 1980 amendments to the NAIC Standard Valuation Law approved in December 1983.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 34:2193 (October 2008).

**§13109. Minimum Valuation Mortality Standards**

A. For preneed life insurance policies, as defined in §13107, the mortality standard to be used to determine the minimum statutory reserve liabilities and nonforfeiture values for both male and female insureds shall be the Ultimate 1980 CSO.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

**HISTORICAL NOTE:** Promulgated by the Department of Insurance, Office of the Commissioner, LR 34:2193 (October 2008).

### §13111. Minimum Valuation Interest Rate Standards

A. The minimum statutory valuation interest rate standard used in the valuation of preneed life insurance shall be the calendar year statutory valuation interest rates as defined in Title 22, the Louisiana Insurance Code, R.S. 22:163.B.(1).

B. The minimum statutory interest rate standard used in the determination of nonforfeiture values for preneed life insurance shall be the calendar year statutory nonforfeiture interest rates as defined in Title 22, the Louisiana Insurance Code, R.S. 22:168.G.(9).

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

**HISTORICAL NOTE:** Promulgated by the Department of Insurance, Office of the Commissioner, LR 34:2193 (October 2008).

### §13113. Minimum Valuation Method Standards

A. The standard method used to determine the minimum statutory reserve for preneed life insurance shall be the method defined in Title 22, the Louisiana Insurance Code, R.S. 22:163.B.(4)(a).

B. The standard method used to determine the minimum nonforfeiture values for preneed life insurance shall be the method defined in Title 22, the Louisiana Insurance Code, R.S. 22:168.G.(1).

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

**HISTORICAL NOTE:** Promulgated by the Department of Insurance, Office of the Commissioner, LR 34:2194 (October 2008).

### §13115. Transition Rules

A. For preneed life insurance policies issued on or after the effective date of Regulation 96, and before January 1, 2012, the 2001 CSO may be used as the minimum statutory standard for reserves, and the minimum standard for nonforfeiture benefits, for both male and female insured lives.

B. If an insurer elects to use the 2001 CSO as a minimum statutory standard for any preneed life insurance policy, issued on or after the effective date of this regulation and before January 1, 2012, the insurer shall provide, as a part of the actuarial opinion memorandum submitted in support of the company's asset adequacy testing, an annual written notification to the domiciliary commissioner. The notification shall include:

1. a complete list of all preneed life insurance policy forms that use the 2001 CSO as a minimum standard;

2. a certification signed by the appointed actuary stating that the reserve methodology employed by the company in determining reserves for the preneed life insurance policies issued on or after the effective date of this regulation and using the 2001 CSO as a minimum statutory standard, develops adequate reserves (For the purposes of this certification, the preneed life insurance policies using the 2001 CSO as a minimum statutory standard cannot be aggregated with any other policies.); and

3. supporting information regarding the adequacy of reserves for preneed life insurance policies issued after the effective date of this regulation and using the 2001 CSO as a minimum statutory reserve standard.

C. Preneed life insurance policies issued on or after January 1, 2012, must use the Ultimate 1980 CSO in the calculation of minimum statutory reserves and nonforfeiture values.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

**HISTORICAL NOTE:** Promulgated by the Department of Insurance, Office of the Commissioner, LR 34:2194 (October 2008).

### §13117. Effective Date

A. Regulation 96 will become effective upon promulgation in the *Louisiana Register* and will be applicable to preneed life insurance policies, as specified in §13103, issued on or after January 1, 2009.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

**HISTORICAL NOTE:** Promulgated by the Department of Insurance, Office of the Commissioner, LR 34:2194 (October 2008).

## Chapter 133. Regulation Number 97—Vehicle Tracking Systems

### §13301. Purpose

A. The purpose of Regulation 97 is to implement the provisions of Acts 2008, No. 132 of the Regular Session of the Louisiana Legislature which mandates that the Department of Insurance promulgate rules and regulations giving further definition of vehicle tracking systems as they relate to motor vehicle liability and physical damage insurance rate reductions for motor vehicles.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:1457.

**HISTORICAL NOTE:** Promulgated by the Department of Insurance, Office of the Commissioner, LR 35:957 (May 2009).

### §13303. Applicability and Scope

A. Regulation 97 shall apply to rate filings applied for by an insurer and approved by the commissioner on motor vehicle liability and physical damage insurance for coverage of any motor vehicle equipped with a vehicle tracking system which aids in the recovery of stolen vehicles.