



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON  
COMMISSIONER

**BULLETIN NO. 2016-04**

**TO: ALL LIFE AND HEALTH AND ACCIDENT INSURERS LICENSED TO  
TRANSACT INSURANCE IN LOUISIANA**

**FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE**

**RE: 2017 OPERATIVE DATE OF PRINCIPLE-BASED VALUATION MANUAL**

**DATE: JULY 5, 2016**

The purpose of Bulletin No. 2016-04 is to inform all insurers that Louisiana will be implementing a new valuation standard for certain life, health and annuity business written after January 1, 2017.

The Louisiana Standard Valuation Law, La. R.S. §22:751-753, establishes a principle-based valuation methodology that is applicable, subject to specified exceptions, to life, health, and annuity business. This methodology is based on the uniform valuation manual adopted by the NAIC. In order to enable simultaneous implementation by participating states, an "operative date" contingent on certain criteria being met is included in the standard valuation law.

The operative date established by La. R.S. §22:753(C)(2) is January first of the first calendar year following the first July first as of which all of the following have occurred:

- (a) The valuation manual has been adopted by the NAIC by an affirmative vote of at least forty-two members, or three-fourths of the members voting, whichever is greater.
- (b) The Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by states representing greater than seventy-five percent of the direct premiums written as reported in the following annual statements submitted for 2008: life, accident and health annual statements; health annual statements; or fraternal annual statements.
- (c) The Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by at least forty-two of the fifty-five NAIC member jurisdictions.

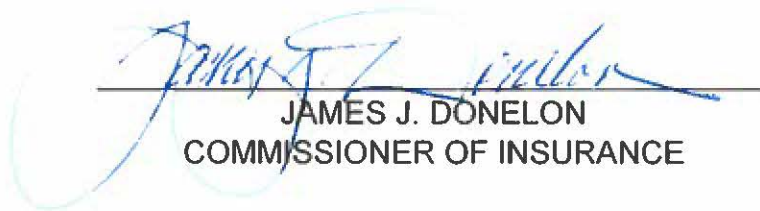
The valuation manual was adopted by the NAIC on December 2, 2012, with 43 members voting in the affirmative.

This year, the number of states adopting principle-based valuation at the state level has also reached the specified supermajority. As of this date, 45 states, including Louisiana, have advised the NAIC that they have enacted laws substantially similar to the Standard Valuation Law, including language using the same three criteria to determine the operative date, and these states represent more than 79% of the applicable premium volume. On June 10, 2016, after conducting an extensive analysis of these states' laws, the NAIC voted unanimously to recognize that the three criteria determining the operative date of the valuation manual have been satisfied.

Accordingly, I hereby determine that the operative date for purposes of La. R.S. §22:753 is January 1, 2017.

Questions regarding Bulletin No. 2016-04 should be directed to the Louisiana Department of Insurance, Division of Life, Health and Annuities, at (225) 342-1355.

Baton Rouge, Louisiana, this 5<sup>th</sup> day of July 2016.



JAMES J. DONELON  
COMMISSIONER OF INSURANCE