**5180 AMH HUDG H4352.1 - NOT FOR FLOOR USE**

**SB 5180** - H AMD **634**

By Representative Hudgins

**NOT ADOPTED 03/08/2016**

On page 4, after line 20, insert the following:

"(3) Any requirements for minimum reserves based on the valuation manual must be based on the version of the valuation manual that exists on the effective date of this section unless a change to the valuation manual is effective pursuant to section 13 of this act.

(4) The commissioner must notify the appropriate committees of the legislature if the NAIC adopts a subsequent version of the valuation manual."

On page 22, line 16, after "(2)" insert "The version of the valuation manual that is operative pursuant to subsection (3) of this section is the version of the valuation manual that exists on the effective date of this section.

(3)"

Renumber the remaining subsections consecutively and correct any internal references accordingly.

On page 22, beginning on line 37, after "when" strike all material through "statements" on page 23, line 8 and insert "the requirements of (a) and (b) of this subsection (4) are met:

(a) The change to the valuation manual has been adopted by the NAIC by an affirmative vote representing:

(i) At least three-fourths of the members of the NAIC voting, but not less than a majority of the total membership; and

(ii) Members of the NAIC representing jurisdictions totaling greater than seventy-five percent of the direct premiums written as reported in the following annual statements most recently available prior to the vote in (a)(i) of this subsection: Life, accident and health annual statements, health annual statements, or fraternal annual statements.

(b) The change to the valuation manual has been adopted by the legislature through duly enacted legislation"

On page 26, after line 5, insert the following:

"(4) A company establishing reserves using a principle-based valuation pursuant to this section must use the version of the valuation manual that is in effect in this state as provided in section 13 of this act."

EFFECT: (1) Makes the operative version of the national association of insurance commissioners' valuation manual the version of the valuation manual that exists on the effective date of this act.

(2) Requires a future change to the valuation manual to be adopted by duly enacted legislation before the change is effective.

(3) Requires the office of the insurance commissioner to notify the appropriate committees of the legislature if the national association of insurance commissioners adopts a change to the valuation manual.