

SB 5180 - H AMD 634

By Representative Hudgins

NOT ADOPTED 03/08/2016

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

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

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

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

13 (3)"

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

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

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

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

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

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

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

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

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