

Prior law required the commissioner of insurance to annually value, or cause to be valued, the reserve liabilities of all outstanding life insurance contracts, annuity and pure endowment contracts, accident and health contracts, and deposit-type contracts of every company. Provided that the valuation method was rule and formula-based.

New law requires the valuation method to be principles-based in accordance with a valuation manual approved by the National Association of Insurance Commissioners (NAIC) for all policies issued on or after the operative date of the valuation manual.

Prior law set standards for actuarial opinions of reserves.

New law retains prior law and requires every company with outstanding life insurance contracts, accident and health insurance contracts, or deposit-type contracts to annually submit the opinion of the appointed actuary as to whether the reserves are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts, and comply with the laws of the state. Requires that each opinion of the appointed actuary issued on or after the operative date of the valuation manual meet specified requirements.

Prior law provided for the determination of minimum reserves through a system of rules and formulas.

New law retains prior law and provides for principle-based reserve valuations for policies after the operative date of the valuation manual. Provides for alternative methods of valuation for policies not subject to principle-based valuation pursuant to the valuation manual. Provides for submission of mortality, morbidity, policyholder behavior, or expense experience and other data as prescribed by the valuation manual for all policies in force on or after the operative date of the valuation manual.

New law provides relative to a privilege for, and the confidentiality of, confidential information used valuation. Authorizes the commissioner to enter into agreements governing the sharing and use of information under new law including the authority to promulgate rules and regulations to register and regulate navigators that receive funding or certification from any state or federal governmental agency. Requires the House and Senate committees on insurance, meeting jointly, to conduct oversight authority of the rules and regulations pursuant to the APA.

Prior law permitted ordinary life mortality tables, adopted after 1980 by the NAIC that are approved by the commissioner for use in determining the minimum nonforfeiture standard to be substituted for the Commissioner's 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors or for the Commissioner's 1980 Extended Term Insurance Table.

New law retains prior law and provides that if the commissioner approves by regulation any commissioners' standard ordinary mortality table adopted by the NAIC for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the valuation manual then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard provided by the valuation manual for all policies issued on or after the operative date of the valuation manual.

Effective January 1, 2014.

(Amends R.S. 22:752(A) and (D)(intro para), 753(B) and (C), 936(G)(8)(f) and (g) and (9), and 44:4.1(B)(11); adds R.S. 22:752(E) and (F), 753 (D), (E), (F), (G), (H), (I), and (J), and 936(G)(8)(h) and (i) and (J)(7))