

Bulletin No. 91-8

December 16, 1991

TO: All Domestic Life Insurance Companies and Other Interested Persons

SUBJECT: **Filing of Data for Determining Life Insurer Valuation (California Insurance Code Section 10480); Issuance of Valuation Certificates**

1. Annually, on or before the first day of March, every domestic incorporated life insurer shall furnish to the Commissioner the necessary data for determining the valuation of all its policies outstanding on the last preceding thirty-first of December (California Insurance Code Section 10480). Senate Bill 889 changed the date from February 1 to March 1 effective with the 12/31/91 filing.

2. Such data must be sent to the office of the

**Chief Actuary
Department of Insurance
300 South Spring Street, South Tower
Los Angeles, CA 90013**

3. In addition, all companies are required to file an insurance company certificate as to the valuation by the actuary (or consulting actuary) of the company in the form attached to this Bulletin.

4. The necessary data shall consist of tabulations by reserve valuation cells showing the total amount or number of units of insurance in each cell, the unit reserve factor applied and the reserve determined for the cell together with the appropriate valuation key information (reserve basis, plan of insurance, issue year, issue age, etc.) for all segments (life insurance, annuities, supplementary contracts with life contingencies, miscellaneous and reinsurance) of the reserve; or, for special reserves which are not determined by applying a unit reserve factor to an in-force amount, the data shall consist of summary worksheets showing the essential elements of the reserve calculation, the reserve basis used and a description as needed to make clear the calculation methods and assumptions used to determine these reserves. The valuation cell and special reserves should be carried forward to totals by reserve basis to agree with the reserves reported by valuation standard **on each line** of Parts A, B, C & G of Exhibit 8 of the company's annual statement and to agree with amounts reported on the insurance company certificate. Each item in the summary worksheet or intermediate summaries should be clearly referenced to supporting data such as machine runs and other worksheets. Any codes (e.g. plan codes, reserve basis codes) needed to interpret any of the data submitted should be included in each annual filing.

5. The Department will bill each company based on the number of valuation certificates requested, any late filing fee and a charge to reimburse the Department for the expense involved in the review of the valuation data submitted. Time and expense can be saved by carefully tying in the data with the appropriate line in Exhibit 8. A schedule of fees and charges is updated from time to time. This information can be accessed on the Insurance Department's Internet website <http://www.insurance.ca.gov>. and looking under the **Bulletins and Notices Section**.
6. Where there is no business in force, the Insurer's Certificate is not required. The Company must submit a letter stating that it has no business in force.
7. In the following cases an Insurer's Certificate is required:
 - (a) There is business in force but reserves are zero e.g. Group Life with monthly premiums payable on the first of the month. Supporting data is required.
 - (b) Because of reinsurance, net reserves are zero. Supporting data for the gross reserves is required.

This Bulletin replaces Department Bulletin 77-4 dated December 20, 1977 and Bulletin 86-5 dated November 7, 1986.

JOHN GARAMENDI
Insurance Commissioner

INSURER'S CERTIFICATE REGARDING LIFE INSURER VALUATION

(Name of Company)

AS OF DECEMBER 31, _____

I, _____, (Officer title in company), acting in the capacity of actuary, OR, a partner, member or employee of (Name of Consulting Firm), acting in the capacity of consulting actuary:

- (a) Have valued all of the life policies and annuity contracts outstanding in the company as of the date above in accordance with the insurance laws and regulations of the State of California, and
- (b) Certify that the data furnished to the Commissioner for determining said valuation are correct, and
- (c) Certify that the reserves for such policies and annuity contracts, in the aggregate amount of \$_____ (Exhibit 8, Line 999999, Column 2) are truly stated in Exhibit 8 of the Annual Statement as of said date filed, or to be filed, with the Insurance Commissioner of the State of California.

Summary of the aggregate reserves reported or to be reported in Parts A, B, C, and G of said Exhibit 8, column 2:

Life Insurance Reserves	\$ _____	A Line 019997
Annuity Reserves	\$ _____	B Line 029997
Sup Contracts with Life cont ..	\$ _____	C Line 039997
Misc. Reserves	\$ _____	G Line 079997
Total	\$ _____	
Less Reinsurance	\$ _____	Lines 019998+
		029998+039998
		+079998
Net Reserve	\$ _____	

(Signature and Credentials)

Subscribed and sworn to before
me this day of

Notary Public in and for the County of _____, State of California