

**STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
45 FREMONT STREET  
SAN FRANCISCO, CA 94105**

**Bulletin No. 2018-1  
January 26, 2018**

**PRINCIPLE-BASED RESERVING ASSESSMENT FOR FISCAL YEAR (FY) 2017-18**

**TO: All Insurance Companies Licensed to Sell Life Insurance Products in California**

**SUBJECT: Annual Aggregate Assessment Amount Pursuant to Insurance Code Section 10489.992(b) (4)**

California Senate Bill (SB) 696 (Chapter 658, Statutes of 2015) added California Insurance Code Section 10489.992 effective January 1, 2016. Section 10489.992(b)(1) authorizes the California Insurance Commissioner to annually assess each life insurance company, based on the company's gross annual life insurance premium written in California in the immediately preceding year, to defray costs incurred by the California Department of Insurance (CDI) to implement principle-based reserving (PBR) valuation. The annual aggregate assessment for all companies must, under Section 10489.992(b) (2), be at least \$1,000,000.

Per Insurance Code 10489.992 9 (b) (4), the Department adopts an aggregate annual assessment for FY 2017-18 of \$1,994,000, and also adopts the assessment tiers shown in the table below. The Department will invoice companies for FY 2017-18 based on this final tier table.

<b>Insurer's 2016 Annual Premium</b>	<b>Annual Assessment Per Company</b>
\$500,000,001 +	\$125,000
\$400,000,001-\$500,000,000	\$84,000
\$300,000,001-\$400,000,000	\$67,000
\$200,000,001-\$300,000,000	\$50,000
\$150,000,001-\$200,000,000	\$33,000
\$100,000,001-\$150,000,000	\$17,000
\$50,000,001-\$100,000,000	\$8,000
\$0-\$50,000,000	\$0

For questions regarding the calculation of the assessment please contact Crista Hill at [Crista.Hill@insurance.ca.gov](mailto:Crista.Hill@insurance.ca.gov) or (916) 492-3390. For billing related questions, please contact the Accounting Services Bureau at [arbilling@insurance.ca.gov](mailto:arbilling@insurance.ca.gov) or (916) 492-3242.