



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

## **BULLETIN 2020-6**

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

**FROM: Insurance Commissioner Ricardo Lara**

**DATE: May 29, 2020**

**RE: Principle-Based Reserving – Life Annual Aggregate Assessment**

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California Insurance Code (CIC) Section 10489.992(b)(1) authorizes the 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. The intent of the assessment is to defray the costs incurred by the Department of Insurance to implement principle-based reserving (PBR) valuation and provide a prudent reserve in the PBR fund.

Pursuant to CIC Section 10489.992(b)(4), the Department has established an aggregate annual assessment for Fiscal Year (FY) 2019-20 of \$2,843,000, as well as the assessment tiers shown in the table below. The Department will invoice companies for FY 2019-20 based on this final tier table.

Insurer's 2018 Annual Premium	Annual Assessment Per Company
\$500,000,001 +	\$153,000
400,000,001 - 500,000,000	102,000
300,000,001 - 400,000,000	82,000
200,000,001 - 300,000,000	61,000
150,000,001 - 200,000,000	41,000
100,000,001 - 150,000,000	21,000
50,000,001 - 100,000,000	10,000
< 50,000,001	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.