

COMMONWEALTH OF VIRGINIA

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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

Administrative
Letter

August 14, 1979

1979-20

TO: All Foreign Life Insurance Companies Licensed in
Virginia

FROM: L. Gerald Roach *LGR*
Assistant Commissioner
Financial Condition Division

SUBJECT: Adoption of Actuarial Guidelines by Bureau of Insurance

Senate Bill 801, which was enacted during the 1979 session of the Virginia General Assembly, amended the standard valuation and non-forfeiture benefit laws applicable to life insurers transacting business in Virginia. This Act became effective as of July 1, 1979 and is applicable to life insurance and annuity contracts issued by all companies licensed in Virginia, both domestic and foreign. Senate Bill 801 was substantially the same as the 1976 model valuation and non-forfeiture law adopted by the National Association of Insurance Commissioners at its December meeting in 1976.

In addition, effective June 30, 1978, the National Association of Insurance Commissioners also adopted four actuarial guidelines which were intended to establish uniform interpretations of several provisions of the 1976 model law. The purpose of this letter, is to advise you that the Bureau of Insurance has also adopted the National Association of Insurance Commissioners' Actuarial Guidelines effective as of July 1, 1979. As written, these guidelines interpret the provisions of the 1976 model law; therefore, please be advised that any references therein to prior years should be related to the July 1, 1979 effective date of our adoption of these guidelines. I am sure that you already have access to copies of the National Association of Insurance Commissioners Actuarial Guidelines; however, should you want to receive a copy from our office please let us know.

Actuarial Guideline I, Actuarial Guideline IV and Virginia Code Section 38.1-456(6) shall become operative with respect to policies and contracts valued on the 1958 CSO Mortality Table issued on or after July 1, 1979, unless a company elects to make them retroactively operative with respect to such policies and contracts issued prior to July 1, 1979.

Actuarial Guideline II and Actuarial Guideline III shall become operative with respect to all policies and contracts issued on or after July 1, 1979.

If you have any questions regarding the above, please do not hesitate to call me or Mr. John Jones, Life Actuary at (804) 786-3635.

LGR/dl