

House Bill 975

By: Representatives Shaw of the 176th, Smith of the 134th, Efstoration of the 104th, Caldwell of the 131st, Blackmon of the 146th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 10 of Title 33 of the Official Code of Georgia Annotated, relating to
2 assets and liabilities, so as to provide for certain updates to the standard valuation law as it
3 relates to the reserve requirements for companies allowed to opt out of the principal based
4 reserves standards; to provide for related matters; to repeal conflicting laws; and for other
5 purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 10 of Title 33 of the Official Code of Georgia Annotated, relating to assets and
9 liabilities, is amended in Code Section 33-10-13, relating to standard valuation, by revising
10 subsection (t) as follows:

11 "(t)(1) An insurer that has less than \$300 million of ordinary life premiums and that is
12 licensed and doing business in this state and that is subject to the requirements of
13 subsections (o) through (r) of this Code section ~~is deemed to pass the exclusion tests~~
14 ~~associated with life insurance reserve requirements incorporated in the valuation manual~~
15 may hold reserves based on the mortality tables and interest rates defined by the valuation
16 manual for net premium reserves and using the methodologies described in subsections
17 (g) through (m) of this Code section as they apply to ordinary life insurance in lieu of the
18 reserves required by subsections (o) and (p) of this Code section, provided that:

19 (A) If the insurer is a member of a group of life insurers, the group has combined
20 ordinary life premiums of less than \$600 million;

21 (B) The insurer reported total adjusted capital of at least 450 percent of authorized
22 control level risk based capital in the risk based capital report for the prior calendar
23 year;

24 (C) The appointed actuary has provided an unqualified opinion on the reserves for the
25 prior calendar year; and

26 (D) The insurer has provided a certification by a qualified actuary that any universal
27 life policy with a secondary guarantee issued by the insurer after the operative date of
28 the valuation manual meets the definition of a nonmaterial secondary guarantee
29 universal life product as defined in the valuation manual.

30 (2) For purposes of paragraph (1) of this subsection, ordinary life premiums are
31 measured as direct premium plus reinsurance assumed from an unaffiliated company, as
32 reported in the annual statement for the prior calendar year.

33 ~~(3) A company that meets the requirements under paragraph (1) of this subsection is also~~
34 ~~subject to the requirements of subsection (1) of this Code section.~~

35 ~~(4)~~(3) A domestic company meeting all of the conditions provided in this subsection may
36 file, prior to July 1 of the current calendar year, a statement with the Commissioner
37 certifying that such conditions are met for the current calendar year based on premiums
38 and other values from the financial statements for the prior calendar year. The
39 Commissioner may reject such statement prior to September 1 and require a company to
40 comply with the valuation manual requirements for life insurance reserves."

41 **SECTION 2.**

42 All laws and parts of laws in conflict with this Act are repealed.