



State of Utah

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Insurance Department

JONATHAN T. PIKE
Insurance Commissioner

BULLETIN 2022-4

To: Utah Domestic Life Insurers
From: Jonathan T. Pike, Insurance Commissioner
Date: June 28, 2022
Subject: **Requesting Exemption from the Requirements of a Principle-Based Valuation**

This Bulletin supersedes Bulletin 2020-12, and applies to all Utah domestic life insurers.

The requirements of a principle-based valuation in Utah Code §§ 31A-17-514 and 31A-17-515 became effective on January 1, 2017. During the first three years, insurers were allowed to apply prior requirements as defined in Sections 31A-17-504 through 31A-17-513. As of January 1, 2020, the requirements of a principle-based valuation are mandatory.

Section 31A-17-519, Small company exemption, was repealed during the 2022 Legislative Session. Subsequently, all Utah domiciled life insurers seeking exemption from principle-based valuation are to follow the requirements in the Valuation Manual.

The 2022 version of the Valuation Manual was amended to excuse an insurer from filing a Life Principle-Based Reserving Exemption (“Life PBR Exemption”) with the department in certain circumstances.

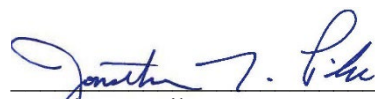
Specifically, no filing is required if the following conditions are met:

1. Previously filed statement of exemption was not rejected by the Commissioner;
2. The company continues to meet the conditions for exemption specified in the Valuation Manual;
and
3. The Commissioner did not inform the company prior to Sept. 1 that the statement of exemption is rejected.

In the case of an ongoing statement of exemption, rather than include a statement of exemption with the NAIC filing for the second quarter of that year, the company should enter “SEE EXPLANATION” in response to the Life PBR Exemption supplemental interrogatory and provide as an explanation that the company is utilizing an ongoing statement of exemption.

Please address questions about this Bulletin to Jake Garn (jwgarn@utah.gov) or Tomasz Serbinowski (tserbinowski@utah.gov).

DATED this 28th day of June 2022.



Jonathan T. Pike
Insurance Commissioner