

304.6-130 Calculation of reserve liabilities -- Application -- Exceptions -- Annual valuation.

- (1) (a) For policies and contracts issued prior to the operative date of the valuation manual, the commissioner shall annually value, or cause to be valued, the reserve liabilities, hereinafter called reserves, for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurer transacting business in this state, except that in the case of an alien insurer, such valuation shall be limited to its United States business; and may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of interest and methods, net leveled premium method or other, used in the calculation of such reserves. In calculating such reserves, the commissioner may use group methods and approximate averages for fractions of a year or otherwise. In lieu of the valuation of the reserves required of any foreign or alien insurer, the commissioner may accept any valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when such valuation complies with the minimum standard provided in KRS 304.6-130 to 304.6-180 and if the official of such state or jurisdiction accepts as sufficient and valid for all legal purposes the certificate of valuation of the commissioner when such certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by law of that state or jurisdiction. Where any such valuation is made by the commissioner, the commissioner may use the actuary of the department or employ an actuary for the purpose, and the reasonable compensation and expenses of the actuary, at a rate approved by the commissioner, upon demand by the commissioner supported by an itemized statement of such compensation and expenses, shall be paid by the insurer. When a domestic insurer furnishes the commissioner with a valuation of its outstanding policies as computed by its own actuary or by an actuary deemed satisfactory for the purpose by the commissioner, the valuation shall be verified by the actuary of the department without cost to the insurer.
 - (b) Any such insurer which at any time shall have adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard herein provided may, with the approval of the commissioner, adopt any lower standard of valuation, but not lower than the minimum herein provided.
 - (c) The provisions of KRS 304.6-140, 304.6-141, 304.6-145, 304.6-150, 304.6-155, 304.6-160, 304.6-170, 304.6-180, and 304.15-410 shall apply to all policies and contracts as appropriate, issued on or after June 18, 1970, and prior to the operative date of the valuation manual. The provisions of KRS 304.6-143 and 304.6-151 shall not apply to the policies and contracts issued on or after June 18, 1970, and prior to the operative date of the valuation manual.
- (2) (a) Except for a company that is exempt under KRS 304.6-134, for policies and

contracts issued on or after the operative date of the valuation manual, the commissioner shall annually value or cause to be valued the reserve liabilities, hereinafter called reserves, for all outstanding life insurance contracts, annuity and pure endowment contracts, accident and health contracts, and deposit-type contracts of every company issued on or after the operative date of the valuation manual. In lieu of the valuation of the reserves required of a foreign or alien company, the commissioner may accept a valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when the valuation complies with the minimum standard provided in KRS 304.6-130 to 304.6-180.

- (b) Except for a company that is exempt under KRS 304.6-134, KRS 304.6-143 and 304.6-151 shall apply to all policies and contracts issued on or after the operative date of the valuation manual.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 57, sec. 10, effective June 24, 2015. -- Amended 2010 Ky. Acts ch. 24, sec. 1002, effective July 15, 2010. -- Created 1970 Ky. Acts ch. 301, subtit. 6, sec. 13, effective June 18, 1970.