



OKLAHOMA INSURANCE DEPARTMENT  
STATE OF OKLAHOMA

**BULLETIN NO. FIN 2016-01**

**TO:** Insurers Writing Life, Health, Accident, and Annuity Business in Oklahoma  
**RE:** 2017 Operative Date of Principle-Based Valuation Manual  
**FROM:** Oklahoma Insurance Department  
**DATE:** June 23, 2016

The Oklahoma Standard Valuation Law (36 O.S. § 1510) establishes a principle-based valuation methodology that is applicable, subject to specified exceptions, to life, health, and annuity business written after the “operative date” of the uniform valuation manual adopted by the NAIC.

To enable uniform and simultaneous implementation by participating states the valuation manual will only become operative when a sufficient number of states have adopted substantially similar laws before July 1 of the preceding year. Specifically, the operative date is established as the first day of January of the first calendar year beginning at least 6 months after all of the following events have occurred:

- a. The valuation manual has been adopted by the NAIC by an affirmative vote of at least 42 members or three-fourths of the members voting, whichever is greater;
- b. The Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions has been enacted by states representing greater than seventy-five percent (75%) of the direct premiums written as reported in the following annual statements submitted for 2008: life, accident and health annual statements; health annual statements; or fraternal annual statements; and
- c. The Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions has been enacted by at least forty-two (42) of the following fifty-five (55) jurisdictions: the 50 states of the United States, American Samoa, the American Virgin Islands, the District of Columbia, Guam, and Puerto Rico.”

The valuation manual was adopted by the NAIC on December 2, 2012, with 43 members voting in the affirmative. This year, the number of states adopting principle-based valuation at the state

level has also reached the specified supermajority. As of this date, 45 states have advised the NAIC that they have enacted laws substantially similar to the model Standard Valuation Law, including language using the same triggers to define the operative date, and these states represent more than seventy-nine percent (79%) of the applicable premium volume. Recently, after conducting an extensive analysis of these states' laws, the NAIC voted unanimously to recognize that all three triggers defining the operative date have been satisfied.

Accordingly, the Commissioner hereby determines that the operative date of the uniform valuation manual, for purposes of the Oklahoma Standard Valuation Law, is January 1, 2017.

Questions or comments applicable to this bulletin should be directed to Frank Stone ([Frank.Stone@oid.ok.gov](mailto:Frank.Stone@oid.ok.gov)), Oklahoma Insurance Department, Five Corporate Plaza, 3625 NW 56<sup>th</sup>, Suite 100, Oklahoma City, OK 73112.

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