



**DEPARTMENT OF COMMERCE AND INSURANCE**

P.O. Box 690, Jefferson City, Mo. 65102-0690

**BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE  
STATE OF MISSOURI**

**IN REGARDS TO THE NATIONAL )  
ASSOCIATION OF INSURANCE )  
COMMISSIONERS' VALUATION )  
MANUAL )**

**ORDER APPROVING ANNUAL AMENDMENTS TO THE NAIC VALUATION  
MANUAL**

Based on competent and substantial evidence in the administrative record before me, I, Chlora Lindley-Myers, Director of the Missouri Department of Commerce and Insurance, determine that there is no need for additional proceedings or a formal hearing on this matter and hereby issue the following findings of fact, conclusions of law, and order:

**FINDINGS OF FACT**

1. On August 17, 2021, the Executive ("EX") Committee and Plenary of the National Association of Insurance Commissioner's ("NAIC") met in Columbus, Ohio.

2. During the August 17, 2021, meeting, the EX Committee and Plenary voted to adopt the following amendments to the NAIC *Valuation Manual*:

a. Most of the amendments to the *Valuation Manual* provide technical clarification and guidance for existing requirements in the *Valuation Manual*.

b. Amendment Proposal Form (“APF”) 2020-09 is more substantive and modifies the Life Principle-Based Exemption to allow a company that received Commissioner approval for the exemption in the prior year to retain its exemption if it meets certain requirements and did not require VM-20, *Requirements for Principle-Based Reserves for Life Products*, when all new issues arise due to policyholder conversions.

c. APF 2020-10 is also more substantive and allows the use of future mortality improvement beyond the valuation date.

3. The EX Committee and Plenary adopted APF 2020-09 by 51 jurisdictions, representing 97.81% of the applicable premiums written.

4. The EX Committee and Plenary adopted APF 2020-10 by 48 jurisdictions, representing 88.75% of the applicable premiums written.

5. Both votes satisfied the NAIC’s requirements for amending the *Valuation Manual*.

#### **CONCLUSIONS OF LAW**

6. Section 376.380.6(3), RSMo 2016 provides as follows:

(3) Unless a change in the valuation manual specifies a later effective date, changes to the valuation manual shall be effective on January first following the date when all of the following have occurred:

(a) The change to the valuation manual has been adopted by the NAIC by an affirmative vote representing:

a. At least three-fourths of the members of the NAIC voting, but not less than a majority of the total membership; and

b. Members of the NAIC representing jurisdictions totaling greater than seventy-five percent of the direct premiums written as reported in the following annual statements most recently available prior to the vote in subparagraph a. of this paragraph: life, accident, and health annual statements; health annual statements; or fraternal annual statements;

(b) The valuation manual becomes effective under an order of the director.

7. Based on the Findings of Fact set out above, the amendments approved by the NAIC EX Committee and Plenary meet the requirements specified in § 376.380.6(3), RSMo 2016.


**ORDER**

IT IS THEREFORE ORDERED that the amendments to the *Valuation Manual* adopted by the NAIC EX Committee and Plenary on August 17, 2021, shall become effective pursuant to § 376.380.6(3)(b), RSMo 2016, with an effective date of January 1, 2022.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri this 10<sup>th</sup> day of December, 2021.



  
Chlora Lindley-Myers  
Director  
Missouri Department of Commerce and  
Insurance