

Bill No.: HB0006 **Effective:** Immediately

LSO No.: 17LSO-0019

Enrolled Act No.: HEA No. 0033

Chapter No.: [Chapter Number_RO]

Prime Sponsor: Joint Corporations, Elections & Political Subdivisions Interim Committee

Catch Title: Principle based reserving.

Subject: Insurance Reserve Requirements.

Summary/Major Elements:

- This act modifies life insurance reserve requirements from a formula-based approach to a principle-based approach. This valuation method attempts to consider the risk profile of an insurer and establish a reserve requirement based on that risk profile. More specifically, the reserve requirements under the principle-based approach are governed by the National Association of Insurance Commission's Valuation Manual, which may be changed by the members of the National Association of Insurance Commissioners. The Valuation Manual specifies minimum reserve valuation methods for certain insurance policies, formatting requirements for associated reports, risk assumption considerations, corporate governance requirements, and waiver procedures.
- The Insurance Commissioner may prescribe a reserve level or modify valuation methodologies for specific insurers if, in the Commissioner's opinion, an insurer's reserves are insufficient to meet the requirements of the Valuation Manual or other provisions of Wyoming law.
- The act prescribes the requirements of an annual actuarial review of the sufficiency of reserves by an appointed actuary. The act also requires insurers to submit mortality, morbidity, policyholder and other experience data to the Insurance Commission.
- The act provides an exemption for Wyoming insurance companies doing business only in Wyoming.
- The act provides confidentiality for certain documents used in reserve-sufficiency evaluations.
- The act also specifies applicable mortality tables and nonforfeiture interest rates for certain life insurance policies and annuities.

The above summary is not an official publication of the Wyoming Legislature and is not an official statement of legislative intent. While the Legislative Service Office endeavored to provide accurate information in this summary, it should not be relied upon as a comprehensive abstract of the bill.