

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance*

Rule No. Chapter 482-1-161

Rule Title: Adoption of Valuation Manual.

New Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? N/A*

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? N/A*

Is there another, less restrictive method of regulation available that could adequately protect the public? N/A*

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? N/A*

Is the increase in costs, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A*

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? N/A*

Does the proposed rule have an economic impact? N/A*

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Sections 27-2-17 and 27-7-43, Code of Alabama 1975, and that it complies with all applicable filing requirements of the Alabama Insurance Code.*

Signature of certifying officer Jim L. Ridling
Jim L. Ridling
Commissioner of Insurance

Date: September 20, 2016

*Note: *The Alabama Department of Insurance is exempt from the Alabama Administrative Procedures Act pursuant to Section 41-22-2(e), Code of Alabama 1975.*

Alabama Department of Insurance

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Department of Insurance

RULE NO. & TITLE: Chapter 482-1-161: Adoption of Valuation Manual.

INTENDED ACTION: Adopt new chapter.

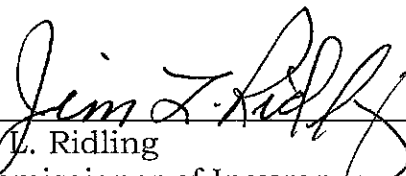
SUBSTANCE OF PROPOSED ACTION: The Commissioner of Insurance is proposing to adopt a new regulation to formally determine the operative date of the Valuation Manual in this state and to adopt the Valuation Manual as most recently revised by the NAIC effective January 1, 2017. The new regulation will become effective January 1, 2017.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit data, views, or arguments in writing at any time prior to November 7, 2016, to the Alabama Department of Insurance, Attention: Legal Division, Post Office Box 303351, Montgomery, Alabama 36130-3351, or orally by appearing at the public hearing, Suite 502, RSA Tower, 201 Monroe Street, Montgomery, Alabama, beginning at 10:30 AM, on November 10, 2016.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

November 7, 2016

CONTACT PERSON AT AGENCY: Reyn Norman
General Counsel



Jim L. Ridling
Commissioner of Insurance

**ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION**

CHAPTER 482-1-161

ADOPTION OF VALUATION MANUAL

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1 **482-1-161-.01 Authority, Purpose, Definition and Effective**
2 **Date.**

3 (1) This chapter is adopted pursuant to Ala. Code §§ 27-
4 2-17 (1975) and 27-36A-15 (2016 Repl. Vol).

5 (2) The purpose of this chapter is to formally adopt the
6 most recent changes to the Valuation Manual adopted by the
7 NAIC as specified in Chapter 36A of Title 27, Code of Alabama
8 1975, in accordance with Ala. Code § 27-36A-15.

9 (3) For purposes of this chapter, "Valuation Manual"
10 shall have the meaning ascribed in Ala. Code § 27-36A-2.

11 (4) This chapter shall be effective January 1, 2017, upon its
12 approval by the Commissioner of Insurance and upon its having been
13 on file as a public document in the office of the Secretary of State
14 for ten days.

15 **Author:** Commissioner of Insurance

16 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17 & 27-
17 36A-15

18 **History:** New _____, 2016, Effective January 1, 2017

19 **482-1-161-.02 Determination of Operative Date of Valuation**
20 **Manual.**

21 (1) The Commissioner of Insurance hereby makes the
22 following determination:

1 (a) The valuation manual was adopted by the NAIC on
2 December 2, 2012, by an affirmative vote of forty-three (43)
3 members, representing over three-fourths of the members
4 voting.

5 (b) The Standard Valuation Law, as amended by the NAIC in
6 2009, or legislation including substantially similar terms and
7 conditions, has been enacted by states representing over 79.5%
8 of the direct premiums written as reported in the following
9 annual statements submitted in 2008: Life, accident and
10 health annual statements; health annual statements; or
11 fraternal annual statements.

12 (c) The Standard Valuation Law, as amended by the NAIC in
13 2009, or legislation including substantially similar terms and
14 conditions, has been enacted by 45 states.

15 (2) Thus, in accordance with subsection (b) of Section
16 27-36A-15, the operative date of the valuation manual for this
17 state is January 1, 2017.

18 **Author:** Commissioner of Insurance

19 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17 & 27-
20 36A-15

21 **History:** New _____, 2016, Effective January 1, 2017

1 **482-1-161-.03 Adoption of 2016 Version of Valuation Manual.**

2 In accordance with Section 27-36A-15, the Valuation Manual, as
3 revised by the National Association of Insurance Commissioners
4 in 2016, is hereby adopted for this state to become effective
5 January 1, 2017.

6 **Author:** Commissioner of Insurance

7 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17 & 27-
8 36A-15

9 **History:** New _____, 2016, Effective January 1, 2017