



# Illinois Department of Insurance

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**BRUCE RAUNER**  
Governor

**ANNE MELISSA DOWLING**  
Acting Director

**TO:** All Life/Accident & Health Insurance Companies and Fraternal Organizations  
Licensed in Illinois

**FROM:** Anne Melissa Dowling, Acting Director of Insurance AMD/jas

**DATE:** September 27, 2016

**RE:** Company Bulletin 2016-06  
Operative Date of the Valuation Manual

Illinois' Standard Valuation Law establishes a Principle-Based Reserve methodology which may be applied to certain insurance contracts issued on or after the operative date of the National Association of Insurance Commissioners' ("NAIC") Valuation Manual. 215 ILCS 5/223(8)(b) states that the operative date of the Valuation Manual is January 1 of the first calendar year following the first July 1 after which all of the following have occurred:

- (i) The Valuation Manual has been adopted by the NAIC by an affirmative vote of at least forty-two members, or three-fourths of the members voting, whichever is greater;
- (ii) 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 of the direct premiums written as reported in one or more of the following annual statements submitted for 2008: Life, Accident, and Health Annual Statements; Health Annual Statements; or Fraternal Annual Statements; and
- (iii) 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 of the following fifty-five jurisdictions: the fifty states of the United States, American Samoa, the American Virgin Islands, the District of Columbia, Guam, and Puerto Rico.

The Illinois Department of Insurance has determined that all of the above conditions have been met as of July 1, 2016. Therefore the operative date of the Valuation Manual, enabling Principle-Based Reserving, is January 1, 2017.

Any questions regarding this bulletin can be directed to Bruce Sartain, FSA, MAAA, Life Actuary at [Bruce.Sartain@illinois.gov](mailto:Bruce.Sartain@illinois.gov) or (217) 785-0903.