



# RULE-MAKING ORDER

**CR-103P (May 2009)**  
**(Implements RCW 34.05.360)**

**Agency:** Office of the Insurance Commissioner

**Permanent Rule Only**

**Effective date of rule:**

**Permanent Rules**

**31 days after filing.**

**Other (specify)** \_\_\_\_\_ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**

**Yes**     **No**    **If Yes, explain:**

**Purpose:** The purpose of the rule is to adopt the valuation manual for Principle Based Reserving for life insurance companies.

Insurance Commissioner Matter No. R 2016-14

**Citation of existing rules affected by this order:**

Repealed:  
Amended:  
Suspended:

**Statutory authority for adoption:** RCW 48.02.060, RCW 48.74.090, and RCW 48.74.100(5).

**Other authority:** RCW 48.74.100

**PERMANENT RULE (Including Expedited Rule Making)**

Adopted under notice filed as WSR **16-21-067** on October 17, 2016.

Describe any changes other than editing from proposed to adopted version: None

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: \_\_\_\_\_ phone ( )  
Address: \_\_\_\_\_ fax ( )  
e-mail \_\_\_\_\_

**Date adopted:** November 23, 2016

**NAME (TYPE OR PRINT)**

Mike Kreidler

**SIGNATURE**

**TITLE**

Insurance Commissioner

**CODE REVISER USE ONLY**

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

**DATE: November 23, 2016**

**TIME: 10:27 AM**

**WSR 16-23-163**

(COMPLETE REVERSE SIDE)

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.**

**The number of sections adopted in order to comply with:**

<b>Federal statute:</b>	New	_____	Amended	_____	Repealed	_____
<b>Federal rules or standards:</b>	New	_____	Amended	_____	Repealed	_____
<b>Recently enacted state statutes:</b>	New	<u>2</u>	Amended	_____	Repealed	_____

**The number of sections adopted at the request of a nongovernmental entity:**

New	_____	Amended	_____	Repealed	_____
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**The number of sections adopted in the agency's own initiative:**

New	<u>2</u>	Amended	_____	Repealed	_____
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**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

New	_____	Amended	_____	Repealed	_____
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**The number of sections adopted using:**

<b>Negotiated rule making:</b>	New	_____	Amended	_____	Repealed	_____
<b>Pilot rule making:</b>	New	_____	Amended	_____	Repealed	_____
<b>Other alternative rule making:</b>	New	<u>2</u>	Amended	_____	Repealed	_____

**SUBCHAPTER A: ADOPTION OF VALUATION MANUAL**

NEW SECTION

**WAC 284-74-600 Authority, purpose, and definition.** (1) The purpose of this subchapter is to formally adopt the valuation manual adopted by the National Association of Insurance Commissioners as specified in chapter 48.74 RCW.

(2) "Valuation manual" has the meaning set forth in RCW 48.74.015.

NEW SECTION

**WAC 284-74-610 Determination of operative date of valuation manual.** (1) The insurance commissioner hereby makes the following determination:

(a) The valuation manual was adopted by the National Association of Insurance Commissioners on December 2, 2012, by an affirmative vote of forty-three members, representing over three-fourths of the members voting.

(b) The standard valuation law, as amended by the National Association of Insurance Commissioners in 2009, or legislation including substantially similar terms and conditions, has been enacted by states representing over eighty-five percent of the direct premiums written as reported in the following annual statements submitted in 2008: Life, accident and health annual statements; health annual statements; or fraternal annual statements.

(c) The standard valuation law, as amended by the NAIC in 2009, or legislation including substantially similar terms and conditions, has been enacted by forty-six states.

(2) Therefore, the operative date of the valuation manual for this state is January 1, 2017.