

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF ADVISING OF THE)	
OPERATIVE DATE OF THE VALUATION)	
MANUAL TO IMPLEMENT PRINCIPLE-BASED))	ORDER
RESERVE VALUATIONS FOR ALL LIFE)	
INSURANCE POLICIES ISSUED ON OR AFTER))	
JANUARY 1, 2017)	

This matter having been opened by the Commissioner of the New Jersey Department of Insurance (“Commissioner”) pursuant to the authority of N.J.S.A. 17:1-15, 17B:19-1 et seq. and 17B:25-19, and all powers expressed or implied therein; and

IT APPEARING that P.L. 2014, c.81 (“the Act”), enacted on December 26, 2014 made changes to the laws governing the valuation of reserve liabilities for life insurance policies issued in this State; and

IT FURTHER APPEARING that the Act in Sections 58 through 67 made various amendments and additions to Title 17B, Chapter 19 (Reserves and Valuations), and Chapter 25 (Life Insurance Other Than Group) of the New Jersey Statutes to provide for implementation of principle-based reserve valuations (“PBR”) for life insurance policies sold on or after the operative date of the valuation manual adopted by the National Association of Insurance Commissioners (“NAIC”); and

IT FURTHER APPEARING that, pursuant to the new N.J.S.A. 17B:19-11b of the Act, the operative date of the valuation manual to implement PBR is January 1 of the first calendar year following the first July 1 as of which all of the following have occurred: (1) the valuation manual has been adopted by the NAIC by an affirmative vote of at least 42 members, or three-

fourths of the members voting, whichever is greater; (2) the NAIC Model Standard Valuation Law (“SVL”), as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by States representing greater than 75% of the direct premiums written as reported in the following annual statements submitted for 2008: life, accident and health annual statements; health annual statements; or fraternal annual statements; and (3) the NAIC Model Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by at least 42 of the following 55 jurisdictions: The 50 States of the United States, American Samoa, the American Virgin Islands, the District of Columbia, Guam, and Puerto Rico; and

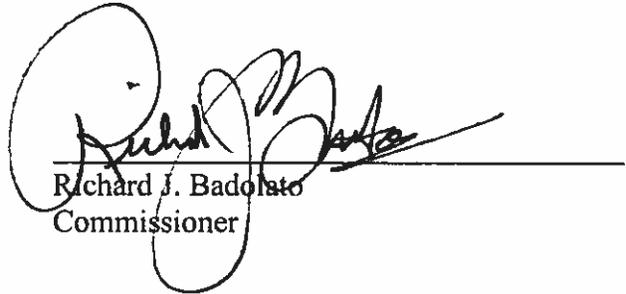
IT FURTHER APPEARING that the NAIC adopted the valuation manual on December 2, 2012, with forty-three members voting in the affirmative; and

IT FURTHER APPEARING that, as of this June 10, 2016, forty-five states, including New Jersey, have advised the NAIC that they have enacted laws substantially similar to the NAIC model SVL, as amended by the NAIC in 2009, including language using the same three triggers to define the operative date, and these states represent more than 79% of the applicable premium volume; and

IT FURTHER APPEARING that on June 10, 2016, after conducting an extensive analysis of these states' laws, the members of the NAIC voted unanimously to recognize that all three triggers defining the operative date have been satisfied;

NOW, THEREFORE IT IS on this *11th* day of August, 2016:

ORDERED that the valuation manual as defined in N.J.S.A. 17B:19-1.1 shall be operative effective January 1, 2017, for all policies issued in this State on or after that date.



Richard J. Badolato
Commissioner

PBR Operative Order/inoord