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2017 Operative Date of Principle-Based Valuation Manual

The Maine Standard Valuation Law (SVL)[1] establishes a principle-based valuation methodology that is applicable, subject to specified exceptions, to life, health, and annuity business written after the "operative date" of the uniform valuation manual adopted by the National Association of Insurance Commissioners (NAIC).

To enable uniform and simultaneous implementation by participating states, the SVL provides that the valuation manual will only become operative when a sufficient number of states have adopted substantially similar laws before July 1 of the preceding year. Specifically, the operative date is established as the first day of January of the first calendar year beginning at least 6 months after all of the following events have occurred:

> "A. The valuation manual has been adopted by the NAIC by an affirmative vote of at least 42 members or ¾ of the members voting, whichever is greater;
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> "B. The NAIC's model 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 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
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> "C. The NAIC's 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 District of Columbia, Guam, the Commonwealth of Puerto Rico and the United States Virgin Islands."[2]

The valuation manual was adopted by the NAIC on December 2, 2012, with 43 members voting in the affirmative. This year, the number of states adopting principle-based valuation at the state level has also reached the specified supermajority. As of this date, 45 states, including Maine,

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[1] 24-A M.R.S. Chapter 11, Subchapter 3 (§§ 951–960).

[2] 24-A M.R.S. § 951-A(3).

have advised the NAIC that they have enacted laws substantially similar to the model SVL, including language using the same three triggers to define the operative date, and these states represent more than 79% of the applicable premium volume. Today, after conducting an extensive analysis of these states' laws, the NAIC voted unanimously to recognize that all three triggers defining the operative date have been satisfied.

Accordingly, I hereby determine that the operative date of the uniform valuation manual, for purposes of the Maine Standard Valuation Law, is January 1, 2017.

June 10, 2016

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Superintendent of Insurance

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