# Life PBR Statement of Exemption

For Insurers Domiciled in Pennsylvania

(With Regard to Policies Acquired in 2022)

To be filed before July 1, 2022

An insurer domiciled in Pennsylvania planning to request the Life Principle-Based Reserving (PBR) Exemption for policies acquired in the current calendar year must file this Statement of Exemption with the Commissioner no later than June 30th of the current calendar year. The Statement of Exemption must also be included with the NAIC Quarterly Financial Statement filing for the second quarter of the calendar year. Exemption requirements are found in Section 7142 of the Pennsylvania Standard Valuation Law. Please complete the following information and submit this Statement of Exemption by email to the assigned financial analyst for the Pennsylvania domestic company.

**Reminder:** An exemption applies only to policies acquired in the calendar year of the request and approval, and it applies to all future valuation dates for those policies. Please note that for the purposes of this exemption request the term “acquired” refers to any policy that was issued or assumed in the calendar year of the request. Statements of Exemption must be filed for each calendar year on or after 2020 if the company plans to elect the Life PBR Exemption for policies acquired in that calendar year.

**Company Information:**

Year for which the statement of exemption applies \_\_\_\_\_\_\_\_\_\_ NAIC # \_\_\_\_\_\_\_\_\_\_ NAIC Group # \_\_\_\_\_\_\_\_\_\_

Company Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_State \_\_\_\_\_\_\_\_Zip \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Contact information for individual signing statement:**

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Policies Covered by this Statement:**

All policies acquired in the current calendar year that would otherwise be subject to VM-20.

All policies acquired in the current calendar year that would otherwise be subject to VM-20,

excluding \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Information required for Pennsylvania to consider the Life PBR Exemption:**

|  |  |  |
| --- | --- | --- |
|  | Individual Company | NAIC Group |
| 1. Direct plus assumed from unaffiliated companies ordinary life premium as reported in Exhibit 1 Part 1, Column 3 in the prior year annual statement |  |  |
| 1. Confirm the year of the annual statement for reconciling the amounts reported in (A) |  |  |
| 1. Portion of (A) that represent the transfer of reserves in force as of the effective date of a reinsurance assumed transaction |  |  |
| 1. Premium amount used for consideration under Section 7142 of the Pennsylvania Standard Valuation Law, D = A – C |  |  |
| 1. **Confirmation that amount in (D) is less than $300M (Individual Company) and $600M (NAIC Group) (Yes/No)** |  |  |
| 1. Number of ULSG policies (and riders) issued or assumed with an issue date of January 1, 2020 or after that fail to meet the Pennsylvania Law definition of a “nonmaterial secondary guarantee universal life product” |  |
| 1. **Confirmation that the number of policies (and riders) in (F) is zero and that no ULSG policies (and riders) that fail the definition of a “nonmaterial secondary guarantee universal life product” will be issued or assumed through the end of the current calendar year (Yes/No)** |  |
| 1. Total Adjusted Capital as a percentage of the Authorized Control Level Risk-Based Capital (RBC) in the most recent RBC report |  |
| 1. **Confirmation that the percentage in (H) is at least 450% (Yes/No) [This requirement does not apply to fraternal benefit societies with less than $50 million in premium (D)]** |  |
| 1. Type of opinion provided by the appointed actuary on the reserves reported in the most recent annual statement (e.g. unqualified, adverse) |  |
| 1. **Confirmation that the type of opinion listed in (J) is “unqualified” (Yes/No)** |  |

The policies covered by this statement satisfy the Life PBR Exemption requirements in Section 7142 of the Pennsylvania Standard Valuation Law for the current calendar year. The minimum reserve requirements for the ordinary life policies subject to the exemption are those pursuant to applicable methods required in VM-A and VM-C using the mortality as defined in VM-20 Section 3.C.1 and VM-M Section 1.H. Any policies acquired in the current calendar year that otherwise would be subject to VM-20 and are not covered by this statement of exemption will be valued following the requirements of VM-20.

The information contained herein is true and correct to the best of my knowledge and belief.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| Name and Title |  | Signature |  | Date |