

**2014 -- S 2784 SUBSTITUTE A AS AMENDED**

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LC004223/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2014**

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A N A C T

RELATING TO INSURANCE -- THE STANDARD NON-FORFEITURE LAW FOR LIFE  
INSURANCE

Introduced By: Senator Roger Picard

Date Introduced: March 25, 2014

Referred To: Senate Commerce

(Business Regulation)

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 27-4.3-5 of the General Laws in Chapter 27-4.3 entitled "The  
2 Standard Nonforfeiture Law for Life Insurance" is hereby amended to read as follows:

3           **27-4.3-5. Calculations of adjusted premiums by the nonforfeiture net level premium**

4 **method.** -- (a) This section shall apply to all policies issued on or after January 1, 1994. Except as  
5 provided in subsection (g) of this section, the adjusted premiums for any policy shall be  
6 calculated on an annual basis and shall be such a uniform percentage of the respective premiums  
7 specified in the policy for each policy year, excluding amounts payable as extra premiums to  
8 cover impairments or special hazards, and also excluding any uniform annual contract charge or  
9 policy fee specified in the policy in a statement of the method to be used in calculating the cash  
10 surrender values and paid up nonforfeiture benefits, that the present value, at the date of issue of  
11 the policy, of all adjusted premiums shall be equal to the sum of: (1) the then present value of the  
12 future guaranteed benefits provided for by the policy; (2) one percent (1%) of either the amount  
13 of insurance, if the insurance be uniform in amount, or the average amount of insurance at the  
14 beginning of each of the first ten (10) policy years; and (3) one hundred twenty-five percent  
15 (125%) of the nonforfeiture net level premium as defined in subsection (b); provided, however,  
16 that in applying the percentage specified in subdivision (a)(3), no nonforfeiture net level premium  
17 shall be deemed to exceed four percent (4%) of either the amount of insurance, if the insurance be  
18 uniform in amount, or the average amount of insurance at the beginning of each of the first ten

1 (10) policy years. The date of issue of a policy for the purpose of this section shall be the date as  
2 of which the rated age of the insured is determined.

3 (b) The nonforfeiture net level premium shall be equal to the present value, at the date of  
4 issue of the policy, of the guaranteed benefits provided for by the policy divided by the present  
5 value, at the date of issue of the policy, of an annuity of one per annum payable on the date of  
6 issue of the policy and on each anniversary of the policy on which a premium falls due.

7 (c) In the case of policies which cause on a basis guaranteed in the policy unscheduled  
8 changes in benefits or premiums, or which provide an option for changes in benefits or premiums,  
9 other than a change to a new policy, the adjusted premiums and present values shall initially be  
10 calculated on the assumption that future benefits and premiums do not change from those  
11 stipulated at the date of issue of the policy. At the time of any change in the benefits or premiums  
12 the future adjusted premiums, nonforfeiture net level premiums, and present values shall be  
13 recalculated on the assumption that future benefits and premiums do not change from those  
14 stipulated by the policy immediately after the change.

15 (d) Except as otherwise provided in subsection (g), the recalculated future adjusted  
16 premiums for any policy shall be a uniform percentage of the future premiums specified in the  
17 policy for each policy year, excluding amounts payable as extra premiums to cover impairments  
18 and special hazards, and also excluding any uniform annual contract charge or policy fee  
19 specified in the policy in a statement of the method to be used in calculating the cash surrender  
20 values and paid up nonforfeiture benefits, so that the present value, at the time of change to the  
21 newly defined benefits or premiums, of all future adjusted premiums shall be equal to the excess  
22 of: (1) the sum of: (i) the then present value of the then future guaranteed benefits provided for by  
23 the policy and (ii) the additional expense allowance, if any, over (2) the then cash surrender  
24 value, if any, or present value of any paid up nonforfeiture benefit under this policy.

25 (e) The additional expense allowance, at the time of the change to the newly defined  
26 benefits or premiums, shall be the sum of: (1) one percent (1%) of the excess, if positive, of the  
27 average amount of insurance at the beginning of each of the first ten (10) policy years subsequent  
28 to the change over the average amount of insurance prior to the change at the beginning of each  
29 of the first ten (10) policy years subsequent to the time of the most recent previous change, or, if  
30 there has been no previous change, the date of issue of the policy; and (2) one hundred twenty-  
31 five percent (125%) of the increase, if positive, in the nonforfeiture net level premium.

32 (f) The recalculated nonforfeiture net level premium shall be equal to the result obtained  
33 by dividing subdivision (f)(1) by subdivision (f)(2) where:

34 (1) Equals the sum of:

1 (i) The nonforfeiture net level premium applicable prior to the change multiplied by the  
2 present value of an annuity of one per annum payable on each anniversary of the policy on or  
3 subsequent to the date of the change on which a premium would have fallen due had the change  
4 not occurred, and

5 (ii) The present value of the increase in future guaranteed benefits provided for by the  
6 policy; and

7 (2) Equals the present value of an annuity of one per annum payable on each anniversary  
8 of the policy on or subsequent to the date of change on which a premium falls due.

9 (g) Notwithstanding any other provisions of this section to the contrary, in the case of a  
10 policy issued on a substandard basis which provides reduced graded amounts of insurance so that,  
11 in each policy year, the policy has the same tabular mortality cost as a similar policy issued on the  
12 standard basis which provides for a higher uniform amount of insurance, adjusted premiums and  
13 present values for the substandard policy may be calculated as if it were issued to provide higher  
14 uniform amounts of insurance on the standard basis.

15 (h) All adjusted premiums and present values referred to in this chapter shall for all  
16 policies of ordinary insurance be calculated on the basis of the commissioners 1980 standard  
17 ordinary mortality table or, at the election of the company for any one or more specified plans of  
18 life insurance, the commissioners 1980 standard ordinary mortality table with ten (10) year select  
19 mortality factors; adjusted premiums and present values shall for all policies of industrial  
20 insurance be calculated on the basis of the commissioners 1961 standard industrial mortality  
21 table; for all policies issued in a particular calendar year be calculated on the basis of a rate of  
22 interest not exceeding the nonforfeiture interest rate as defined in this section, for policies issued  
23 in that calendar year. Provided, however that:

24 (1) At the option of the insurance company, calculations for all policies issued in a  
25 particular calendar year may be made on the basis of a rate of interest not exceeding the  
26 nonforfeiture interest rate, as defined in this section, for policies issued in the immediately  
27 preceding calendar year;

28 (2) Under any paid-up nonforfeiture benefit, including any paid-up dividend additions,  
29 any cash surrender value available, whether or not required by section 27-4.3-2, shall be  
30 calculated on the basis of the mortality table and rate of interest used in determining the amount  
31 of any paid-up nonforfeiture benefit and paid-up dividend additions, if any;

32 (3) An insurance company may calculate the amount of any guaranteed paid-up  
33 nonforfeiture benefit including any paid-up additions under the policy on the basis of an interest  
34 rate no lower than that specified in the policy for calculating cash surrender values;

1 (4) In calculating the present value of any paid-up term insurance with accompanying  
2 pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be  
3 not more than those shown in the commissioners 1980 extended term insurance table for policies  
4 of ordinary insurance and not more than the commissioners 1961 industrial extended term  
5 insurance table for policies of industrial insurance;

6 (5) For insurance issued on a substandard basis, the calculation of any adjusted  
7 premiums and present values may be based on appropriate modifications of the tables mentioned  
8 in this subsection;

9 (6) (i) For policies issued prior to the operative date of the valuation manual, any  
10 ~~commissioners' standard~~ [Commissioners Standard](#) ordinary mortality tables, adopted after 1980  
11 by the National Association of Insurance Commissioners, that are approved by regulation  
12 promulgated by the commissioner of insurance for use in determining the minimum nonforfeiture  
13 standard, may be substituted for the commissioners 1980 standard ordinary mortality table with or  
14 without ten (10) year select mortality factors or for the commissioners 1980 extended term  
15 insurance table.

16 (ii) For policies issued on or after the operative date of the valuation manual the  
17 valuation manual shall provide the ~~commissioners' standard~~ [Commissioners Standard](#) mortality  
18 table for use in determining the minimum nonforfeiture standard that may be substituted for the  
19 commissioners 1980 Standard Ordinary Mortality Table with or without ten (10) year Select  
20 Mortality Factors or for the Commissioners 1980 Extended Term Insurance Table. If the  
21 commissioner approves by regulation any ~~commissioners' standard~~ [Commissioners Standard](#)  
22 ordinary mortality table adopted by the NAIC for use in determining the minimum nonforfeiture  
23 standard for policies issued on or after the operative date of the valuation manual then that  
24 minimum nonforfeiture standard supersedes the minimum nonforfeiture standard provided by the  
25 valuation manual.

26 (7) (i) For policies issued prior to the operative date of the valuation manual, any  
27 ~~commissioners' standard~~ [Commissioners Standard](#) industrial mortality tables, adopted after 1980  
28 by the National Association of Insurance Commissioners, that are approved by regulation  
29 promulgated by the commissioner of insurance for use in determining the minimum nonforfeiture  
30 standard, may be substituted for the commissioners 1961 standard industrial mortality table or the  
31 commissioners 1961 industrial extended term insurance table.

32 (ii) For policies issued on or after the operative date of the valuation manual the  
33 valuation manual shall provide the ~~commissioners' standard~~ [Commissioners Standard](#) mortality  
34 table for use in determining the minimum nonforfeiture standard that may be substituted for the

1 Commissioners 1961 Standard Industrial Mortality Table or the Commissioners 1961 Industrial  
2 Extended Term Insurance Table. If the commissioner approves by regulation any ~~commissioners'~~  
3 ~~standard~~ Commissioners Standard industrial mortality table adopted by the NAIC for use in  
4 determining the minimum nonforfeiture standard for policies issued on or after the operative date  
5 of the valuation manual then that minimum nonforfeiture standard supersedes the minimum  
6 nonforfeiture standard provided by the valuation manual.

7 (i) The nonforfeiture interest rate is defined below:

8 (A) For policies issued prior to the operative date of the valuation manual, the  
9 nonforfeiture interest rate per annum for any policy issued in a particular calendar year shall be  
10 equal to one hundred and twenty-five percent (125%) of the calendar year statutory valuation  
11 interest rate for the policy as defined in chapter 4.5 of this title, rounded to the nearer one-quarter  
12 of one percent (.25%); provided, however, that the nonforfeiture interest rate shall not be less than  
13 four percent (4%).

14 (B) For policies issued on and after the operative date of the valuation manual the  
15 nonforfeiture interest rate per annum for any policy issued in a particular calendar year shall be  
16 provided by the valuation manual.

17 (j) Notwithstanding any other provision in this title to the contrary, any re-filing of  
18 nonforfeiture values or their methods of computation for any previously approved policy form  
19 which involves only a change in the interest rate or mortality table used to compute nonforfeiture  
20 values shall not require re-filing of any other provisions of that policy form.

21 SECTION 2. Sections 27-4.5-1, 27-4.5-13 and 27-4.5-16 of the General Laws in Chapter  
22 27-4.5 entitled "The Standard Valuation Law" are hereby amended to read as follows:

23 **27-4.5-1. Short title and definitions.** -- (a) This chapter shall be known as the "Standard  
24 Valuation Law."

25 (b) For the purpose of this chapter, the following definitions shall apply on or after the  
26 operative date of the valuation manual:

27 (1) "Accident and health insurance" means contracts that incorporate morbidity risk and  
28 provide protection against economic loss resulting from accident, sickness, or medical conditions  
29 and as may be specified in the valuation manual.

30 (2) "Appointed actuary" means a qualified actuary who is appointed in accordance with  
31 the valuation manual to prepare the actuarial opinion required in subsection 27-4.5-3~~(a)~~(b).

32 (3) "Commissioner of insurance" means the director of the department of business  
33 regulation or his or her designee.

34 (4) "Company" means an entity, which: (i) Has written, issued, or reinsured life

1 insurance contracts, accident and health insurance contracts, or deposit-type contracts in this state  
2 and has at least one such policy in force or on claim; or (ii) Has written, issued, or reinsured life  
3 insurance contracts, accident and health insurance contracts, or deposit-type contracts in any state  
4 and is required to hold a certificate of authority to write life insurance, accident and health  
5 insurance, or deposit-type contracts in this state.

6 (5) "Deposit-type contract" means contracts that do not incorporate mortality or  
7 morbidity risks and as may be specified in the valuation manual.

8 (6) "Life insurance" means contracts that incorporate mortality risk, including annuity  
9 and pure endowment contracts, and as may be specified in the valuation manual.

10 (7) "NAIC" means the National Association of Insurance Commissioners.

11 (8) "Policyholder behavior" means any action a policyholder, contract holder or any  
12 other person with the right to elect options, such as a certificate holder, may take under a policy  
13 or contract subject to this chapter including, but not limited to, lapse, withdrawal, transfer,  
14 deposit, premium payment, loan, annuitization, or benefit elections prescribed by the policy or  
15 contract, but excluding events of mortality or morbidity that result in benefits prescribed in their  
16 essential aspects by the terms of the policy or contract.

17 (9) "Principle-based valuation" means a reserve valuation that uses one or more methods  
18 or one or more assumptions determined by the insurer and is required to comply with section 27-  
19 4.5-14 as specified in the valuation manual.

20 (10) "Qualified actuary" means an individual who is qualified to sign the applicable  
21 statement of actuarial opinion in accordance with the American Academy of Actuaries  
22 qualification standards for actuaries signing such statements and who meets the requirements  
23 specified in the valuation manual.

24 (11) "Tail risk" means a risk that occurs either where the frequency of low probability  
25 events is higher than expected under a normal probability distribution or where there are observed  
26 events of very significant size or magnitude.

27 (12) "Valuation manual" means the manual of valuation instructions adopted by the  
28 NAIC as specified in this chapter or as subsequently amended.

29 **27-4.5-13. Valuation manual for policies issued on or after the operative date of the**  
30 **valuation manual.** -- (a) For policies issued on or after the operative date of the valuation  
31 manual, the standard prescribed in the valuation manual is the minimum standard of valuation  
32 required under subsection 27-4.5-2(b), except as provided under subsections (e) or (g) of this  
33 section.

34 (b) The operative date of the valuation manual is January 1 of the first calendar year

1 following the first July 1 as of which all of the following have occurred:

2 (1) The valuation manual has been adopted by the NAIC by an affirmative vote of at  
3 least forty-two (42) members, or three-fourths (3/4) of the members voting, whichever is greater.

4 (2) The Standard Valuation Law, as amended by the NAIC in 2009, or legislation  
5 including substantially similar terms and provisions, has been enacted by states representing  
6 greater than seventy-five percent (75%) of the direct premiums written as reported in the  
7 following annual statements submitted for 2008: life, accident and health annual statements;  
8 health annual statements; or fraternal annual statements.

9 (3) The Standard Valuation Law, as amended by the NAIC in 2009, or legislation  
10 including substantially similar terms and provisions, has been enacted by at least forty-two (42)  
11 of the following fifty-five (55) jurisdictions: The fifty (50) States of the United States, American  
12 Samoa, the American Virgin Islands, the District of Columbia, Guam, and Puerto Rico.

13 (c) Unless a change in the valuation manual specifies a later effective date, changes to  
14 the valuation manual shall be effective on January 1 following the date when all of the following  
15 have occurred:

16 (1) The change to the valuation manual has been adopted by the NAIC by an affirmative  
17 vote representing:

18 (i) At least three-fourths (3/4) of the members of the NAIC voting, but not less than a  
19 majority of the total membership, and

20 (ii) Members of the NAIC representing jurisdictions totaling greater than seventy-five  
21 percent (75%) of the direct premiums written as reported in the following annual statements most  
22 recently available prior to the vote in subsection (c)(1)(i): life, accident and health annual  
23 statements, health annual statements, or fraternal annual statements.

24 (2) The valuation manual becomes effective pursuant to a regulation adopted by the  
25 commissioner.

26 (d) The valuation manual must specify all of the following:

27 (1) Minimum valuation standards for and definitions of the policies or contracts subject  
28 to subsection 27-4.5-2(b). Such minimum valuation standards shall be:

29 (i) The ~~commissioner's~~ [Commissioners](#) reserve valuation method for life insurance  
30 contracts, other than annuity contracts, subject to subsection 27-4.5-2(b);

31 (ii) The ~~commissioner's~~ [Commissioners](#) annuity reserve valuation method for annuity  
32 contracts subject to subsection 27-4.5-2(b); and

33 (iii) Minimum reserves for all other policies or contracts subject to subsection 27-4.5-  
34 2(b).

1           (2) Which policies or contracts or types of policies or contracts that are subject to the  
2 requirements of a principle-based valuation in subsection 27-4.5-14(a) and the minimum  
3 valuation standards consistent with those requirements;

4           (3) For policies and contracts subject to a principle-based valuation under section 27-4.5-  
5 14:

6           (i) Requirements for the format of reports to the commissioner under ~~subdivision 27-4.5-~~  
7 ~~14(b)(2)~~ [§27-4.5-14\(b\)\(3\)](#) and which shall include information necessary to determine if the  
8 valuation is appropriate and in compliance with this chapter;

9           (ii) Assumptions shall be prescribed for risks over which the company does not have  
10 significant control or influence.

11           (iii) Procedures for corporate governance and oversight of the actuarial function, and a  
12 process for appropriate waiver or modification of such procedures.

13           (4) For policies not subject to a principle-based valuation under section 27-4.5-14 the  
14 minimum valuation standard shall either:

15           (i) Be consistent with the minimum standard of valuation prior to the operative date of  
16 the valuation manual; or

17           (ii) Develop reserves that quantify the benefits and guarantees, and the funding,  
18 associated with the contracts and their risks at a level of conservatism that reflects conditions that  
19 include unfavorable events that have a reasonable probability of occurring.

20           (5) Other requirements, including, but not limited to, those relating to reserve methods,  
21 models for measuring risk, generation of economic scenarios, assumptions, margins, use of  
22 company experience, risk measurement, disclosure, certifications, reports, actuarial opinions and  
23 memorandums, transition rules and internal controls; and

24           (6) The data and form of the data required under section 27-4.5-15, with whom the data  
25 must be submitted, and may specify other requirements including data analyses and reporting of  
26 analyses.

27           (e) In the absence of a specific valuation requirement or if a specific valuation  
28 requirement in the valuation manual is not, in the opinion of the commissioner, in compliance  
29 with this chapter, then the company shall, with respect to such requirements, comply with  
30 minimum valuation standards prescribed by the commissioner by regulation.

31           (f) The commissioner may engage a qualified actuary, at the expense of the company, to  
32 perform an actuarial examination of the company and opine on the appropriateness of any reserve  
33 assumption or method used by the company, or to review and opine on a company's compliance  
34 with any requirement set forth in this chapter. The commissioner may rely upon the opinion,



1 regarding provisions contained within this chapter, of a qualified actuary engaged by the  
2 commissioner of another state, district or territory of the United States. As used in this subsection,  
3 term "engage" includes employment and contracting.

4 (g) The commissioner may require a company to change any assumption or method that  
5 in the opinion of the commissioner is necessary in order to comply with the requirements of the  
6 valuation manual or this chapter; and the company shall adjust the reserves as required by the  
7 commissioner. The commissioner may take other disciplinary action as permitted pursuant to  
8 section 42-14-16.

9 **27-4.5-16. Confidentiality.** -- (a) For purposes of this section, "confidential information"  
10 shall mean:

11 (1) A memorandum in support of an opinion submitted under section 27-4-3 and any  
12 other documents, materials and other information, including, but not limited to, all working  
13 papers, and copies thereof, created, produced or obtained by or disclosed to the commissioner or  
14 any other person in connection with such memorandum;

15 (2) All documents, materials and other information, including, but not limited to, all  
16 working papers, and copies thereof, created, produced or obtained by or disclosed to the  
17 commissioner or any other person in the course of an examination made under subsection 27-4.5-  
18 13(f); provided, however, that if an examination report or other material prepared in connection  
19 with an examination made under chapter 27-13.1 is not held as private and confidential  
20 information under chapter 27-13.1, an examination report or other material prepared in  
21 connection with an examination made under subsection 27-4.5-13(f) of this chapter shall not be  
22 "confidential information" to the same extent as if such examination report or other material had  
23 been prepared in accordance with chapter 27-13.1;

24 (3) Any reports, documents, materials and other information developed by a company in  
25 support of, or in connection with, an annual certification by the company under subdivision 27-  
26 4.5-14(b)~~(1)~~(2) of this chapter evaluating the effectiveness of the company's internal controls with  
27 respect to a principle-based valuation and any other documents, materials and other information,  
28 including, but not limited to, all working papers, and copies thereof, created, produced or  
29 obtained by or disclosed to the commissioner or any other person in connection with such reports,  
30 documents, materials and other information;

31 (4) Any principle-based valuation report developed under subdivision 27-4.5-14(b)~~(2)~~(3)  
32 and any other documents, materials and other information, including, but not limited to, all  
33 working papers, and copies thereof, created, produced or obtained by or disclosed to the  
34 commissioner or any other person in connection with such report; and

1 (5) Any documents, materials, data and other information submitted by a company under  
2 section 27-4.5-15 (collectively, "experience data") and any other documents, materials, data and  
3 other information, including, but not limited to, all working papers, and copies thereof, created or  
4 produced in connection with such experience data, in each case that include any potentially  
5 company-identifying or personally identifiable information, that is provided to or obtained by the  
6 commissioner (together with any "experience data", the "experience materials") and any other  
7 documents, materials, data and other information, including, but not limited to, all working  
8 papers, and copies thereof, created, produced or obtained by or disclosed to the commissioner or  
9 any other person in connection with such experience materials.

10 (b) Privilege for, and confidentiality of, confidential information.

11 (1) Except as provided in this section 27-4.5-16, a company's confidential information is  
12 confidential by law and privileged, and shall not be subject to chapter 38-2, shall not be subject to  
13 subpoena and shall not be subject to discovery or admissible in evidence in any private civil  
14 action; provided, however, that the commissioner is authorized to use the confidential information  
15 in the furtherance of any regulatory or legal action brought against the company as a part of the  
16 commissioner's official duties.

17 (2) Neither the commissioner nor any person who received confidential information  
18 while acting under the authority of the commissioner shall be permitted or required to testify in  
19 any private civil action concerning any confidential information.

20 (3) In order to assist in the performance of the commissioner's duties, the commissioner  
21 may share confidential information: (i) With other state, federal and international regulatory  
22 agencies and with the NAIC and its affiliates and subsidiaries; and (ii) In the case of confidential  
23 information specified in subdivisions 27-4.5-16(a)(1) and 27-4.5-16(a)(4) only, with the actuarial  
24 board for counseling and discipline or its successor upon request stating that the confidential  
25 information is required for the purpose of professional disciplinary proceedings and with state,  
26 federal and international law enforcement officials; in the case of subsections (a) and (b),  
27 provided, that, such recipient agrees, and has the legal authority to agree, to maintain the  
28 confidentiality and privileged status of such documents, materials, data and other information in  
29 the same manner and to the same extent as required for the commissioner.

30 (4) The commissioner may receive documents, materials, data and other information,  
31 including otherwise confidential and privileged documents, materials, data or information, from  
32 the NAIC and its affiliates and subsidiaries, from regulatory or law enforcement officials of other  
33 foreign or domestic jurisdictions and from the actuarial board for counseling and discipline or its  
34 successor and shall maintain as confidential or privileged any document, material, data or other

1 information received with notice or the understanding that it is confidential or privileged under  
2 the laws of the jurisdiction that is the source of the document, material or other information.

3 (5) The commissioner may enter into agreements governing sharing and use of  
4 information consistent with subsection 27-4.5-16(b).

5 (6) No waiver of any applicable privilege or claim of confidentiality in the confidential  
6 information shall occur as a result of disclosure to the commissioner under this section or as a  
7 result of sharing as authorized in subdivision 27-4.5-16(b)(3).

8 (7) A privilege established under the law of any state or jurisdiction that is substantially  
9 similar to the privilege established under subsection 27-4.5-16(b) shall be available and enforced  
10 in any proceeding in, and in any court of, this state.

11 (8) In section 27-4.5-16 "regulatory agency," "law enforcement agency" and the "NAIC"  
12 include, but are not limited to, their employees, agents, consultants and contractors.

13 (c) Notwithstanding subsection 27-4.5-16(b), any confidential information specified in  
14 subdivisions 27-4.5-16(a)(1) and 27-4.5-14(a)(4):

15 (1) May be subject to subpoena for the purpose of defending an action seeking damages  
16 from the appointed actuary submitting the related memorandum in support of an opinion  
17 submitted under section 27-4.5-3 or principle-based valuation report developed under subdivision  
18 27-4.5-14(b)(3) by reason of an action required by this chapter or by regulations promulgated  
19 hereunder;

20 (2) May otherwise be released by the commissioner with the written consent of the  
21 company; and

22 (3) Once any portion of a memorandum in support of an opinion submitted under section  
23 27-4.5-3 or a principle-based valuation report developed under subdivision 27-4.5-14(b)(3) is  
24 cited by the company in its marketing or is publicly volunteered to or before a governmental  
25 agency other than a state insurance department or is released by the company to the news media,  
26 all portions of such memorandum or report shall no longer be confidential.

27 SECTION 3. Section 42-14-18 of the General Laws in Chapter 42-14 entitled  
28 "Department of Business Regulation" is hereby amended to read as follows:

29 **42-14-18. Form and rate filing fees.** -- The following fees shall be charged for the  
30 services of the division of insurance in reviewing policy or certificate forms, as those terms are  
31 defined in section 27-29-2(~~e~~)(7), and related forms and rates that are required by law to be  
32 submitted by insurers, as that term is defined in section 27-29-2(~~e~~)(4), for review and approval by  
33 the director prior to use:

34 (1) For each policy or certificate form included in a single package, including any related

1 forms, rates, and other documents submitted in the same package -- forty dollars (\$40.00); and

2 (2) For related forms or revised rates in connection with a policy that has been  
3 previously approved, submitted in a single package, charged based upon the number of policies  
4 involved -- twenty-five dollars (\$25.00).

5 (3) Fees shall be submitted with each filing and shall be deposited as general revenue.  
6 These fees shall be in addition to any taxes and fees otherwise payable to the state.

7 (4) Before any form approved pursuant to chapter 27-2.5 may be used in the state of  
8 Rhode Island, the fees specified in this section must be paid.

9 SECTION 4. Section 27-20.7-14 of the General Laws in Chapter 27-20.7 entitled "Third  
10 Party Health Insurance Administrators" is hereby amended to read as follows:

11 **27-20.7-14. Annual report and filing fee.** -- (a) Each administrator shall file an annual  
12 report for the preceding calendar year with the commissioner on or before March 1 of each year,  
13 or within any extension of time for filing as the commissioner for good cause may grant. The  
14 report shall be in the form and contain any matters that the commissioner prescribes ~~and shall be~~  
15 ~~verified by at least two (2) officers of the administrator.~~

16 (b) The annual report shall include the complete names and addresses of all insurers with  
17 which the administrator had an agreement during the preceding fiscal year.

18 (c) At the time of filing its annual report, the administrator shall pay a filing fee as  
19 required by the commissioner.

20 SECTION 5. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO INSURANCE -- THE STANDARD NON-FORFEITURE LAW FOR LIFE  
INSURANCE

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- 1           This act would make technical changes to the standard valuation and standard
- 2 nonforfeiture provisions of the general laws relating to insurance.
- 3           This act would take effect upon passage.

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