



COMMONWEALTH OF KENTUCKY
DEPARTMENT OF INSURANCE
FRANKFORT, KENTUCKY

BULLETIN
2012-03

The following Bulletin is to advise the reader of the current position of the Kentucky Department of Insurance (the “Department”) on the specified issue. The Bulletin is not legally binding on either the Department or the reader.

TO: ALL INSURANCE COMPANIES WRITING LIFE INSURANCE BUSINESS
IN KENTUCKY

FROM: SHARON P. CLARK, COMMISSIONER
KENTUCKY DEPARTMENT OF INSURANCE

DATE: SEPTEMBER 11, 2012

RE: MAXIMUM VALUATION/NONFORFEITURE INTEREST RATES FOR 2013
LIFE INSURANCE ISSUES

This Bulletin outlines the Department’s requirements for the modification of existing policy forms as a consequence of the decrease in the maximum valuation and nonforfeiture interest rates for 2013 life insurance issues.

A complete policy form filing is required only if the valuation interest rate or the cash value interest rate is changing and that rate is explicitly stated in the policy form in a fixed (i.e. non-bracketed) format on a page other than the contract specifications page. For this case, the Department will accept either an endorsement or a revised policy form. Otherwise, an informational filing will be deemed acceptable. Revisions to gross premiums are not required to be filed.

For policy forms where only the contract specifications page is being revised, an informational filing should be provided to the Department. The informational filing must

contain an actuarial memorandum if nonforfeiture values are being revised. The company may elect to defer modifications to nonforfeiture values until 2014.

In addition, please indicate the following in the cover letter to expedite our review:

1. A statement that the filing is being made to comply with the reduction in the maximum valuation and nonforfeiture interest rates for 2013 life insurance issues and whether the filing is informational only.
2. A statement that no other changes to the policy are included in the filing.
3. A statement of whether the company is modifying nonforfeiture values for 2013 issues or if this change is being deferred until 2014.
4. Include the SERFF filing number(s) of the original contract(s) that is being modified by this filing.
5. When the filing is submitted in SERFF, the "Filing Description" field in the "General Information" tab should say, "Maximum Valuation Interest Rate".

Filings that do not include all of the above-mentioned information will be subject to the Department's regular review process.

For questions regarding this Bulletin, please contact Malinda Shepherd by email at Malinda.Shepherd@ky.gov.

/s/ Sharon P. Clark
Sharon P. Clark, Commissioner
Kentucky Department of Insurance
On this 11th day of September, 2012