

**LOUISIANA DEPARTMENT OF INSURANCE**

**2023 ANNUAL STATEMENT MAILOUT  
(FOR YEAR ENDED 12/31/2023)**

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**Please mail through U. S. Mail, or email, your completed actuarial compliance package to:**

**Rod Friedy, FSA, MAAA  
Director of Life Actuarial Services  
Louisiana Department of Insurance  
Office of Financial Solvency  
Post Office Box 94214  
Baton Rouge, La 70804-9214**

**Inventory Checklist**

<b><u>Item</u></b>	<b><u>Num of Pages</u></b>	<b><u>Form</u></b>
1	_____	Plan Code Definitions
2	_____	Plan Summary
3	_____	Five Year Trend Study
4	_____	Certification of Trend Study
5	_____	Affirmation of Insurance In Force
6	_____	Statement of Actuarial Opinion
7	_____	Exemption from asset adequacy Worksheet
8	_____	Non-Guaranteed Element Statement
9	_____	Universal Life Certification
10	_____	Exemption from PBR Certification
11	_____	Registered Policy Certification
12	_____	Letter appointing actuary (If not previously submitted)
13	_____	Other

**LOUISIANA DEPARTMENT OF INSURANCE (LDI)**  
**ACTUARIAL PACKET**  
**DOMESTIC LIFE, HEALTH & HMO INSURANCE COMPANIES**  
**FOR YEAR ENDING DECEMBER 31, 2023**

**These requirements apply to all domestic life, industrial, service, non-profit, fraternal, health indemnity and HMO insurance companies.**

To complete the LDI annual actuarial compliance submission. **(Email submissions, in whole or in part, will be accepted.)** Please note the following:

1. File this data at the same time as your annual statement. Filings after March 1, 2024 are late and subject to fine and/or other regulatory action.
2. Non-profit companies with no industrial business are exempt from filing actuarial opinions and data for the year ending December 31, 2023. All non-profit companies with industrial business must file all required actuarial data.
3. ALL OTHER DOMESTIC LIFE COMPANIES MUST FILE ALL REQUIRED DATA, INCLUDING THE ACTUARIAL OPINION!!! Attach the actuarial opinion to page 1 of the annual statement and include a copy with the actuarial compliance submission.
4. **All domestic life companies should be familiar with LDI Regulation 47 (re-enacted). This regulation can be obtained from your appointed actuary or by contacting Rod Friedy, FSA, MAAA, Director of Life Actuarial Services, at LDI (Phone (225) 342-4656 or email: Rod.Friedy@ldi.la.gov). Your appointed actuary will assist you with the specifics of the December 31, 2023, filing requirements.**
5. All HMO's should include information that supports the determination of both the covered and uncovered claim liability as presented in the HMO-Associated Edition Annual Statement.
6. The LDI actuarial department will review of all domestic life insurance company December 31, 2023, valuations in 2024, and issue valuation certificates.
7. Retain copies of all records in your office for six years.

## **ATTN: ALL APPOINTED ACTUARIES**

### **LOUISIANA ACTUARIAL ISSUES UPDATE**

#### **DECEMBER 31, 2023 REQUIREMENTS**

Principle based reserves (PBR) became mandatory January 1, 2020, for new business. Louisiana companies can test exemption from PBR and certify to the expectation of meeting this standard using the enclosed submission form. The company must be prepared to support their PBR exemption claim upon request by the Department.

The 2017 CSO Mortality Table became effective January 1, 2020, for new issue reserves and cash values. Supporting documentation is found in VM-20. However, our position remains that neither this table, or the 2001 CSO Mortality Table, will produce adequate reserves for industrial, pre-need and other home service products. **Therefore, the mortality standard for this product class remains the 1980 CSO Ultimate Mortality Table (as discussed below).**

**In 2021, we at LDI, brought the statutory valuation and cash value interest rates to the national standard, as per the attached letter. These interest rates took effect January 1, 2022, for new issues.**

Louisiana's Rule 8 recognizes the 2012 IAR Mortality Table as the valuation standard for new individual annuity and pure endowments contracts commencing January 1, 2015, and the 1994 GAR Mortality Table for new group annuity issues commencing January 1, 1999.

LDI promulgated Regulation 96 in October of 2008, Regulation 91 in March of 2007, Regulation 47 (re-enacted) in July of 2005 (with a clarification modification in December of 2010), Regulation 84 in September of 2005 and Regulation 85 in September of 2005. Regulation 84 was amended in 2021 to recognize the 2017 CSO Mortality Table. These regulations are discussed herein.

1. Regulation 96

Regulation 96 established the 1980 CSO Ultimate Mortality Table as the valuation standard for industrial, pre-need and other home service products commencing January 1, 2009.

## LOUISIANA ACTUARIAL ISSUES UPDATE

### 2. Regulation 91

Regulation 91, along with Actuarial Guideline 42, recognizes the use of mortality tables by life insurance companies that reflect the differences in mortality between preferred and standard lives in their statutory reserves. **Note, we are granting an exemption from the mortality statistics-reporting requirement for 2023, as per the enclosed letter.**

### 3. Regulation 47 (re-enacted)

Regulation 47 (re-enacted) is Louisiana's version of the NAIC's April 2010 Actuarial Opinion and Memorandum Regulation model (MDL-822). Regulation 47 (re-enacted) varies from the NAIC model to allow for the special regulatory characteristics of our Louisiana domestics. **All Louisiana multi-state domestic insurance companies are subject to the asset adequacy analysis requirement.**

### 4. Regulation 84

Regulation 84 was Louisiana's version of the 2001 CSO Mortality Table Model Regulation. Since the 2017 CSO Mortality Table supplanted the 2001 CSO Mortality Table, this regulation was re-enacted in 2022 to reflect this fact. This amended regulation automatically prescribes the use of any succeeding mortality table.

### 5. Regulation 85

Regulation 85 is Louisiana's version of Regulation XXX.

### 6. Actuarial Guideline 53

This guideline advises on the valuation of certain assets when completing an asset adequacy analysis.

### 7. Other Actuarial Guidelines

All other Actuarial Guidelines are as per the NAIC Accounting Practices and Procedures Manual.

**LOUISIANA DEPARTMENT OF INSURANCE (LDI)  
DECEMBER 31, 2023, APPOINTED ACTUARY NOTIFICATION**

**REGULATION 47 (RE-ENACTED)**

LDI Regulation 47 (re-enacted) requires that each company submit a statement of actuarial opinion (SAO), signed and dated by the appointed actuary. The prior regulation required the filing to be either a Section 7 or Section 8 SAO. Regulation 47 (re-enacted) requires an asset adequacy analysis unless the company meets our specified exemption criteria. (We specify the exemption criteria each year.) **For December 31, 2023, the specified exemption is equivalent to the former Section 7 Exemption (now called an exemption from asset adequacy).** Multi-state domestic life insurance companies **must** complete the **standard** asset adequacy analysis. Companies requesting an asset adequacy exemption must complete the 2023 “Exemption from Asset Adequacy Testing” form.

**STATEMENT OF ACTUARIAL OPINION**

The SAO should, as a minimum, attest to the correctness of the following:

- (i) Aggregate reserves for policies and contracts included in Exhibit 5.
- (ii) Aggregate reserves for policies and contracts included in Exhibit 6.
- (iii) Aggregate reserves for deposit funds, premiums, dividend and coupon accumulations and supplementary contracts not involving life or disability contingencies included in Exhibit 7.
- (iv) Policy and Contract Claims-Liability end of Current Year included in Exhibit 8, Part 1.

The SAO is due March 1, 2024. However, if LDI grants an asset adequacy deferral (to August 1, 2024) then, in the interim, a non-asset adequacy SAO should be completed and submitted by March 1, 2024.

**STATEMENT OF RELIANCE**

Anyone who completes work that supports the SAO must submit to the appointed actuary a Statement of Reliance. The Statement of Reliance should identify the scope of the work and the person responsible for it. The person responsible for the work should sign and date the statement.

**FIVE YEAR TREND STUDY**

The appointed actuary must certify to the company’s Five-Year Reserve Trend Study. This study must provide summary totals by mortality table, interest rate and reserve method for yearend 2023. **Any trend distortion resulting from a change in valuation basis should detailed in an explanatory note.**

The study should include, as appropriate, the following:

- (a) Number of policies.
- (b) Gross premium.
- (c) Net premium.
- (d) Amount of insurance.
- (e) Statutory reserve.
- (f) 100% reserves if different from (e).
- (g) Reserve per one thousand dollars of insurance.
- (h) Gross premium per one thousand dollars of insurance coverage.

## NOTICE TO THE APPOINTED ACTUARY

### **PLAN STUDY**

The company must submit a Plan Study that details the number of policies, coverage amount and reserves by plan code. The insurance coverage and statutory reserve totals must correspond to that shown in the annual statement.

### **PLAN CODE DEFINITIONS**

The company must submit a Plan Code Definition document that details type of coverage, statutory reserve basis and premium payment structure for each unique plan code.

### **AFFIDAVIT OF INFORCE**

The company must submit an Affidavit of Inforce that attests to the accuracy of the company's insurance in-force. A responsible company official must sign it. This document must be kept on file for six years and available to LDI on request.

### **NON-GUARANTEED ELEMENT STATEMENT**

The Non-Guaranteed Element Statement must be submitted.

### **UNIVERSAL LIFE STATEMENT**

Louisiana's Regulation 36 pertains to universal life policies. The associated document must be completed.

### **PBR EXEMPTION STATEMENT**

The company must submit a PBR Exemption Statement. The statement attests to the company's belief that they will meet the 2024 exemption standard.

### **REGISTERED POLICIES**

As per LRS 22:809, the company must submit a Registered Policy statement.

**LOUISIANA DEPARTMENT OF INSURANCE  
LIFE AND HEALTH COMPANIES  
PLAN SUMMARY FOR YEAR ENDING DECEMBER 31, 2023**

**COMPANY**

**INSURANCE TYPE:** [Industrial] [Ordinary] [Credit] [Group]

**RESERVE BASIS (or TOTAL PAGE)**

1 PLAN CODE	2 POLICY COUNT	3 GROSS PREMIUM	INSURANCE IN FORCE OR ANNUITY FUND VALUE	5 100% RESERVES	6 RESERVES	7 RES/THOUS
A						
B						
C						
D						
E						
F						
G						
H						
I						
J						
K						
L						
<b>TOTALS</b>						

**LOUISIANA DEPARTMENT OF INSURANCE  
LIFE AND HEALTH COMPANIES  
FIVE YEAR TREND STUDY FOR YEAR ENDING DECEMBER 31, 2023**

**COMPANY**

INSURANCE TYPE: Industrial, Ordinary, Credit, Group, Annuity, Universal Life    Circle one  
 Supple Contr., Accidental Death, Dis. Act, Dis. Dis, Misc.  
 Exh 5, Exh 6, Exh 7, Exh 8, Pt 1

1 YEAR	2 POLICY COUNT	3 GROSS PREM.	INSURANCE IN FORCE OR ANNUITY FUND VALUE	5 RES.	6 RES./ THOUS	7 110% RESERVES	8 YEAR
RESERVES BASIS (or TOTALS)							
23							23
22							22
21							21
20							20
19							19
RESERVES BASIS (or TOTALS)							
23							23
22							22
21							21
20							20
19							19
RESERVES BASIS (or TOTALS)							
23							23
22							22
21							21
20							20
19							19



Louisiana Department of Insurance

**RESERVE TREND STUDY CERTIFICATION**

I hereby certify that \_\_\_\_\_ Insurance Company has been furnished with a Five-Year Reserve Trend Study as required by the Louisiana Insurance Department. As of December 31, 2023, the grand total insurance in force (before adjustments for reinsurance) is \$\_\_\_\_\_ and the total reserves (Exhibit 5 - after adjustments for reinsurance) is \$\_\_\_\_\_. This latter value should be equal to corresponding items in the Company's annual statement (page 22, line 23, column 1 and page 3, line 1).

\_\_\_\_\_  
Date

\_\_\_\_\_  
Appointed Actuary

Louisiana Department of Insurance

**AFFIRMATION OF INSURANCE IN FORCE**

I hereby affirm that the listings and summaries of policies in force for \_\_\_\_\_ Life Insurance Company as of December 31, 2023, prepared for and submitted to \_\_\_\_\_

NAME OF APPOINTED ACTUARY

were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete.

These detailed in force listings, including related summaries, will be kept for a period of six years in the files at the Administrative Office of the Company and will be made available to the Office of the Commissioner of Insurance upon request.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
NAME

\_\_\_\_\_  
TITLE OF COMPANY OFFICER

## LOUISIANA DEPARTMENT OF INSURANCE

### INSTRUCTIONS FOR RECORDING DETAILED RESERVES FOR LIFE AND HEALTH COMPANIES

Each company is required to maintain a policy data file consisting of one record for each policy issued (seriatim) in an electronic data processing medium. As a minimum, each policy record should include the following items of information:

- Name of Insured
- Policy Number
- Base or Rider
- Policy Issue Date
- Status (active, lapsed, surrendered, RPU, ETI, expired, claim)
- Paid to Date
- Expiry Date
- Plan Code
- Sex(es)
- Date(s) of Birth
- Gross Modal Premium
- Frequency of Premium Payment
- Face Amount
- Insurance in force
- Units
- Reserve
- Fund Value
- Cash Value
- Valuation Method
- Mortality Table
- Valuation Interest Rate

**LOUISIANA DEPARTMENT OF INSURANCE**  
**2023 Annual Statement Actuarial Review - Domestic Life Insurance Company**

NAIC  
NUMBER

INSURANCE COMPANY NAME

<b>EXEMPTION FROM ASSET ADEQUACY TESTING</b>			
<b>FOR YEAR ENDING DECEMBER 31, 2023, for _____</b>			
Line No.	Annual Stmt	Item Description	2023
1	Page 2, L 28	Admitted Assets	
2		Category Class	
3	Page 3, L 38	Capital + Surplus	
4	Page 2, L 12	Cash + Invested assets	
5		Ratio #1 (L3 ÷ L4)	
6A	Exh. 5	Annuity Reserves	
6B	Exh. 7, L 14	Deposit Funds	
7		Ratio #2 (L6A+L6B) ÷ L1	
8	Page SI07 11.3-11.6, col. 7	Book value of non-investment grade bonds	
9		Ratio #3 (L8 ÷ L3)	
Has the NAIC Analyst Team designated the company category A or B			
Summary Information:			
		Exemption Criteria	
Category Class		A	B
Ratio #1 >		.10	.07
Ratio #2 <		.30	.40
Ratio #3 <		.50	.50
Is the Company Exempt? Y/N			
Test: The Company is exempt if Ratio #1 is greater than the exemption criteria, Ratios #2 & #3 are less than the exemption criteria and the company does not have an Analyst Team designation.			

Note : The Commissioner may specifically indicate that the exemption is not to be allowed.  
Category A - Admitted assets of \$20,000,000 or less  
Category B - Admitted assets of \$20,000,000 to \$100,000,000  
Category C - Admitted assets of \$100,000,000 to \$500,000,000  
Category D - Admitted assets of over \$500,000,000

**LOUISIANA DOMESTIC AND FOREIGN LIFE INSURANCE COMPANIES**

**UNIVERSAL LIFE POLICIES (REGULATION 36)**

Please complete the following form:

Name of Company: \_\_\_\_\_

NAIC Number: \_\_\_\_\_

- 1. As of December 31, 2023, did your company have any universal life policies in force as defined in Louisiana Regulation 36, \_\_\_\_\_ YES \_\_\_\_\_ NO
- 2. If the answer to (1) is yes, is your universal life business reserved in accordance with Louisiana Regulation 36, \_\_\_\_\_ YES \_\_\_\_\_ NO
- 3. If the answer to (1) is yes, then please attach a list of your universal life plan codes from your plan study.

I hereby certify that the above information is correct.

\_\_\_\_\_  
Appointed Actuary for the Company

\_\_\_\_\_  
Date

**LOUISIANA DOMESTIC AND FOREIGN LIFE INSURANCE COMPANIES**

**NON-GUARANTEED ELEMENT STATEMENT**

Please complete the following form:

Name of Company: \_\_\_\_\_

NAIC Number: \_\_\_\_\_

1. Did your company have any policies in force on December 31, 2023, with non-guaranteed elements, \_\_\_\_\_ YES \_\_\_\_\_ NO?

2. If the answer to (1) is yes, please complete and attach a non-guaranteed element statement.

I hereby certify that the above information is correct.

\_\_\_\_\_  
Appointed Actuary for the Company

\_\_\_\_\_  
Date

**LOUISIANA DOMESTIC LIFE INSURANCE COMPANIES**

**PRINCIPLE BASED RESERVES (PBR)**

Please complete the following form:

Name of Company: \_\_\_\_\_

NAIC Number: \_\_\_\_\_

Is your company planning to file for an exemption from PBR in 2024 based on your company meeting the PBR exemption requirement, \_\_\_\_\_ YES \_\_\_\_\_ NO?

I hereby certify that the above information is correct.

\_\_\_\_\_  
Appointed Actuary for the Company

\_\_\_\_\_  
Date

**LOUISIANA DOMESTIC AND FOREIGN LIFE INSURANCE COMPANIES**

**REGISTERED POLICIES**

Please complete the following form:

Name of Company: \_\_\_\_\_

NAIC Number: \_\_\_\_\_

1. Any issued Registered Policies as defined in La. R.S. 22:809, \_\_\_YES \_\_\_ NO.

2. If the answer to the above is yes, then complete the following:

a. Plan codes offering registered policies \_\_\_\_\_ .

b. Number of registered policies issued \_\_\_\_\_ .

c. Total in-force of registered policies \_\_\_\_\_ .

d. Statutory reserves of all registered policies as of 12/31/2023 \_\_\_\_\_ .

3. Have you deposited with the Commissioner of Insurance funds equal to the legal reserve for the registered policies \_\_\_YES \_\_\_ NO

I hereby certify the above information is correct.

\_\_\_\_\_  
Officer of the Company

\_\_\_\_\_  
Date





LOUISIANA DEPARTMENT OF INSURANCE  
TIMOTHY J. TEMPLE  
COMMISSIONER

January 5, 2024

To: All Domestic and Foreign Louisiana Life Insurance Companies

In accordance with Section 11909C of Louisiana's Regulation 91: "Unless exempted by the Commissioner, every authorized insurer using the 2001 CSO Preferred Class Structure Table shall annually file with the Commissioner, with the NAIC, or with a statistical agent designated by the NAIC and acceptable to the Commissioner, statistical reports showing mortality and such other information as the Commissioner may deem necessary or expedient for the administration of the provisions of this regulation..."

Further, under Actuarial Guideline 42, companies may use the 2017 CSO Preferred Class Structure Table in their preferred mortality determination and would in accordance with this regulation be subject to statistical reporting.

Notice is hereby given that the Louisiana Department of Insurance intends to grant exemption from the annual statistical report filing requirement for both the above-mentioned mortality tables for the calendar year ending December 31, 2023.

Please feel free to contact us if any further clarification is needed.

Sincerely,

Rodney E. Friedy, FSA, MAAA  
Director of Life Actuarial Services



## LOUISIANA DEPARTMENT OF INSURANCE

TIMOTHY J. TEMPLE  
COMMISSIONER

January 17, 2024

To: All Life Insurance Company Appointed Actuaries

The Society of Actuaries dynamic valuation interest rate calculator has determined that commencing January 1, 2021, the maximum statutory valuation interest rates for newly issued life insurance business with lifetime benefits to be 3.0%, and the non-forfeiture rate to be 3.75%. This letter discusses how Louisiana will prescribe these rates to new single state domestic life insurance companies with home service type business.

Louisiana's current statutory valuation and non-forfeiture standard for single state domestic life insurance companies with home service type business is 4% and 5% respectively. It can be concluded that Louisiana is lagging the national standard by two statutory interest rate changes. This was deliberate on our part because we had hoped to give our single state Louisiana domestics a break in the cost of implementing these revisions. Further, we had anticipated that the then prevailing low bond interest rates might be temporary. However, bond interest rates have been low for some time, and it appears unlikely that, under its interest rate generating formula, that the Society of Actuaries will raise prescribed statutory valuation and non-forfeiture interest rates any time soon. For these reasons, we are changing the prescribed statutory valuation and non-forfeiture interest rates for single state Louisiana domestic new home service type issues commencing January 1, 2022.

A summary of the changes to Louisiana single state domestic home service type life insurance business is as follows:

1. There will be no changes to the prescribed statutory valuation and non-forfeiture interest rates in 2021.
2. Commencing January 1, 2022, the prescribed statutory valuation and non-forfeiture interest rates for new issues will be 3.0% and 3.75% respectively.
3. The mortality standard for new issues remains the 1980 CSO.

These changes will bring Louisiana into consistency with both the national statutory valuation and non-forfeiture standard as well as the prevailing bond interest rate environment. Please feel free to contact me if you have any questions.

Sincerely,

Rodney E. Friedy, FSA, MAAA  
Director of Life Actuarial Services