




STATE OF TENNESSEE
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BULLETIN 22-03

TO: Tennessee-Licensed Insurance Companies

FROM: Carter Lawrence, Commissioner 
Carter Lawrence (Nov 14, 2022 15:32 CST)

DATE: November 10, 2022

RE: NAIC Actuarial Guideline XLVIII

The National Association of Insurance Commissioners (“NAIC”) has adopted the Term and Universal Life Insurance Reserve Financing Model Regulation (“Model Reg. #787”) as an accreditation standard for continued accreditation by and membership in the NAIC for its members. Model Reg. #787 establishes uniform, national standards governing reserve financing arrangements pertaining to term life and universal life insurance policies with secondary guarantees and ensures that funds consisting of primary security and other security are held in the forms and amounts required. The NAIC has also adopted revisions to Actuarial Guideline XLVIII – Actuarial Opinion and Memorandum Requirements for the Reinsurance of Policies Required to be Valued under Sections 6 and 7 of the NAIC Valuation of Life Insurance Policies Model Regulation (“AG 48”) to conform with Model Reg. #787 effective January 1, 2017. AG 48 is part of the NAIC’s Accounting Practices and Procedures Manual (the “AP&P Manual”) through its inclusion in Appendix C of the AP&P Manual.

Tenn. Code Ann § 56-1-501(g) states that “[f]inancial statements or information required by [Tenn. Code Ann. title 56, chapter 1, part 5] shall be prepared in accordance with the National Association of Insurance Commissioners Accounting Practices and Procedures Manual in effect for the period covered by the report.” Further, Tenn. Comp. R. & Regs. 0780-01-37-.10 states that “[f]inancial statements or information not prepared in a manner consistent with all applicable laws and the National Association of Insurance Commissioners’ Accounting Practices and Procedures Manual in effect for the applicable reporting period shall be deemed not to meet the filing requirements of T.C.A. §§ 56-1-501 and 56-32-108 or Rule 0780-01-37-.06 and Rule 0780-01-37-.07.”

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It is the position of the Tennessee Department of Commerce and Insurance (the “Department”) that all financial statements filed with the Department must comply with AG 48 to satisfy Tenn. Code Ann §§ 56-1-501(g) and 56-32-108 and Tenn. Comp. R. & Regs. 0780-01-37-.10.

Any further questions should be directed to Scott McAnally, Director of Insurance, at Scott.McAnally@tn.gov.