

PROPOSED RULEMAKING

INSURANCE DEPARTMENT

[31 PA. CODE CH. 84c]

Valuation of Life Insurance Policies

[CORRECTION]

An error occurred in a proposal to add 31 Pa. Code § 84c.4(b)(1)(i) as it appeared at 30 Pa.B. 23, 25 (January 1, 2000). The correct version appears in Annex A, with ellipses referring to the existing text of the proposal.

Annex A

TITLE 31. INSURANCE

PART IV. LIFE INSURANCE

CHAPTER 84C. VALUATION OF LIFE INSURANCE POLICIES

§ 84c.4. Segmented and unitary reserve methods.

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(b) *Contract segmentation method.* The contract segmentation method is the method of dividing the period from issue to mandatory expiration of a policy into successive segments. The segments shall be calculated as follows:

(1) The length of a particular contract segment shall be set equal to the minimum of the value t for which G_t is greater than R_t (if G_t never exceeds R_t the segment length is deemed to be the number of years from the beginning of the segment to the mandatory expiration date of the policy), where G_t and R_t are as follows:

$$G_t = \frac{GP_{x+k+t}}{GP_{x+k+t-1}} \quad R_t = \frac{q_{x+k+t}}{q_{x+k+t-1}}$$

(i) R_t may be increased or decreased by 1% in any policy year, at the company's option, but R_t may not be less than 1.

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