

## Guideline for Submission of Annual Life Insurance Illustration Certifications

The following guidelines apply to the submission of annual life insurance certifications, as required by 40 P.S. § 625.8. Failure to adhere to these guidelines will result in a submission being summarily rejected.

### **Listing of Forms**

Each annual illustration certification submitted to the Department must include a listing of all life insurance forms that are marketed in Pennsylvania with an illustration. The listing must identify the Pennsylvania specific form number of the approved form, type of form (policy, rider, etc.), and contain only forms that are approved for use in Pennsylvania. Marketing names or series titles are not an acceptable means of identification. The company should compare the listings from year to year, and any additions/deletions/changes from a subsequent year should be addressed in the submission letter or a separate attachment, as follows:

- Forms pending approval at the time of submission may be included, but must be notated to indicate the pending status.
- For any new forms included, the date of approval, a SERFF or Department tracking number, and the date that the company began illustrating and/or marketing each form is required. This also applies to forms submitted for review by the Interstate Compact Commission.
- For any forms that are no longer being illustrated, the date that the company ceased illustrating and/or marketing the form must be provided.
- Forms that fall under Annex A of the Department's notice entitled, "Deregulation of Life Insurance Forms," and are considered deregulated must be included if illustrated; the forms should be denoted as 'deregulated'. The date that the company began illustrating each form must be provided.

### **Illustration Actuary Changes (NOT Appointed Actuary Changes, which should continue to be reported to the Office of Company Regulation as required)**

40 P.S. § 625.8(f)(11) of the Pennsylvania insurance laws specifies that, if an insurer changes the illustration actuary responsible for all or a portion of the company's policy forms, the insurer shall notify the commissioner promptly in writing and disclose the reason for the change.

Said notification should be provided to Tracy Bixler, Policy Examiner, Bureau of Life, Accident & Health Insurance, Pennsylvania Insurance Department, 1311 Strawberry Square, Harrisburg, PA 17120. The reason for the change must be fully disclosed.

If the company has more than one designated illustration actuary, a listing of the active illustration actuaries with his/her date of appointment must be provided with each annual certification.

### **Current GRET Disclosure**

40 P.S. § 625.8 (f)(5) of the Pennsylvania Insurance Laws calls for the illustration actuary to disclose in the annual certification the method used to allocate overhead expenses. The actuary may choose among three options, one of which is the generally recognized expense table (GRET) method.

The GRET is updated from time to time in recognition of changing circumstances. It is the Department's position that companies opting to use the GRET method of expense allocation should use the current version of GRET. All illustration actuary certifications must specify which version (i.e., specific year) of GRET was used.

### **Form Number Changes due to 2001 CSO Table (Added 3/4/09)**

Due to the change from the 1980 CSO Table to 2001 CSO Table, the Department expects that listings of illustrated products will include numerous changes. To avoid any confusion and delay with the processing of your submission, all 1980 CSO forms should be listed in the submission letter, or as an attachment to the submission, and clearly denoted to indicate that these forms were no longer being utilized because the 1980 CSO Tables are no longer valid. Any 2001 CSO forms that were newly approved should appear on the certification with the required information as directed above in the 'Listing of Forms' section of this Notice. If the only change is the form number (for example, a revision date was added), the listing should provide an explanation of the change to the form number (by footnote, or other notation to indicate a change due to the 2001 CSO Table).