APRIL, 1999

WEST VIRGINIA INFORMATIONAL LETTER

NO. 113

TO: ALL LIFE INSURANCE COMPANIES LICENSED TO DO BUSINESS IN THE STATE OF WEST VIRGINIA

RE: TRIPLE X (SENATE BILL 214)

On March 17, 1999, Governor Underwood signed into law Senate Bill 214. That bill retroactively deauthorizes the legislative rule designated Title 114, Series 49, which is based on the "Triple X" model regulation developed by the National Association of Insurance Commissioners (NAIC). By doing so, the bill eliminates all effects of that rule having been promulgated. No insurer is required use the reserving method called for by the rule, not for any policy or on any statement.

Some insurers have inquired whether the Commissioner will promulgate a rule based on the alternative to Triple X that recently was endorsed by the NAIC Executive Committee. Recent experience with the original version of Triple X has emphasized how disruptive it may be to adopt a reserving method before it is clear that the method will be applied uniformly. The Commissioner will not promulgate the Triple X alternative, or any other specialized method of calculating reserves for term life policies, until that method already is in place in a significant number of other states, or until it otherwise is clear that the method soon will be used virtually nationwide.

Insurers who are using such a method to satisfy the requirements of another state, and who wish to use it as well in preparing their West Virginia statements, are invited to request permission to do so, pursuant to W. Va. Code § 33-7-9(j).

Hanley C. Clark
Insurance Commissioner