

NOTICE OF PROPOSED RULEMAKING

NOTICE IS HEREBY GIVEN that the Superintendent of Insurance (“Superintendent”), and the New Mexico Office of Superintendent of Insurance (“OSI”), pursuant to the New Mexico Insurance Code, Section 59A-1-1 et seq. NMSA 1978 (“Insurance Code”), proposes a new rule pertaining to the valuation of life insurance policies for all issuers of life insurance policies in New Mexico, to be codified in the New Mexico Administrative Code, 13.9.13 NMAC – Life Insurance and Annuities – Valuation of Life Insurance Policies.

The purpose of this rule is to provide revised requirements for the general calculation of basic reserves and premium deficiency reserves for issuers of life insurance policies. The proposed rule also reorganizes the sectional housing of some provisions of Chapter 9 of Title 13 NMAC. This proposed rule adopts the 2009 version of the National Association of Insurance Commissioners Model Regulation #830: “Valuation of Life Insurance Policies.” This proposed rule, along with the 2014 amendments to Section 59A-20-31 NMSA 1978, are part of an initiative by the National Association of Insurance Commissioners to introduce a new method for calculating life insurance policy reserves. This method, called Principle-Based Reserving, replaces a formulaic approach with an approach that more closely reflects the risks of the complexity of life insurance products on the modern market.

Statutory authority for promulgation of this rule is found Sections 59A-2-8, 59A-2-9, 59A-8-5 and 59A-8-6 NMSA 1978.

The proposed rule may be found on the OSI website at <http://www.osi.state.nm.us/>, under the “Rulemaking” tab and is incorporated by reference into this NOPR. A copy of the full text of the proposed rule is available by electronic download from the OSI website or the New Mexico Sunshine portal, or by requesting a copy in person at the NM Office of Superintendent of Insurance, 1120 Paseo de Peralta, Santa Fe, NM 87501.

The Superintendent will hold a public comment hearing beginning at **9:30 a.m. on Friday, March 30, 2018**, at the Office of Superintendent of Insurance, Fourth Floor Conference Room, PERA Building, 1120 Paseo de Peralta, Santa Fe, New Mexico. Deputy Superintendent Robert Doucette will be the designated hearing examiner in this case.

OSI staff, all insurers, licensees, insurance business entities, other persons transacting insurance business in New Mexico, and the members of the public are encouraged to provide comments or file any written proposals or comments according to the criteria and schedule set forth as follows: (a) oral comments will be accepted at the public hearing from any interested parties; (b) written statements, proposals or comments may be submitted for the record, in lieu of providing oral testimony at the hearing are due no later than **4:00 p.m. on Thursday March 29, 2018**.

Written responses may be submitted for the record following the hearing and are due no later than **4:00 pm on Friday, April 6, 2018**. The Superintendent will consider all oral comments, and will review all timely submitted written comments and responses. The record shall be closed at **4:00 p.m. on Friday, April 6, 2018**. Any person with a disability requiring special assistance in order to participate in a hearing should contact Melissa Martinez, at 505-476-0333 at least 48 hours prior to the commencement of the hearing.

Written comments, proposals, or responsive comments may be submitted via email to mariano.romero@state.nm.us or may be filed by sending original copies to:

OSI Records & Docketing, NM Office of Superintendent of Insurance Attention: Mariano Romero, Room 331
1120 Paseo de Peralta, P.O. Box 1689, Santa Fe, NM 87504-1689 **Docket No. 18-00012-RULE-LH**

Only signed statements, proposals or comments will be accepted. Scanned or facsimile signatures or electronic signatures conforming to federal and state court requirements will be accepted with the understanding that if there is any dispute regarding a signature, OSI reserves the right to require that original signatures be provided to verify the electronic or facsimile signature. All filings must be received between the hours of 8:00 a.m. and 4:30 p.m. Monday through Friday except on state holidays. Any filings after 4:30 will be filed to the docket the next business day.

DONE AND ORDERED this 15th day of February, 2018.
S/JOHN G. FRANCHINI