

2711.0220 GENERAL REQUIREMENTS.**Subpart 1. Submission of Statement of Actuarial Opinion.**

A. There is to be included on or attached to page 1 of the annual statement for each year the statement of an appointed actuary, entitled, "Statement of Actuarial Opinion," setting forth an opinion relating to reserves and related actuarial items held in support of policies and contracts, in accordance with part 2711.0230.

B. Upon written request by the company, the commissioner may grant an extension of the date for submission of the Statement of Actuarial Opinion.

Subp. 2. Qualified actuary. A qualified actuary is an individual who:

A. is a member in good standing of the American Academy of Actuaries;

B. is qualified to sign statements of actuarial opinion for life and health insurance company annual statements in accordance with the American Academy of Actuaries qualification standards for actuaries signing such statements;

C. is familiar with the valuation requirements applicable to life and health insurance companies;

D. has not been found by the commissioner, or if so found has subsequently been reinstated as a qualified actuary, following appropriate notice and hearing, to have:

(1) violated any provision of, or any obligation imposed by, the insurance law or other law in the course of the individual's dealings as a qualified actuary;

(2) been found guilty of fraudulent or dishonest practices;

(3) demonstrated the individual's incompetency, lack of cooperation, or untrustworthiness to act as a qualified actuary;

(4) submitted to the commissioner during the past five years, pursuant to this chapter, an actuarial opinion or memorandum that the commissioner rejected because it did not meet the provisions of this chapter including standards set by the Actuarial Standards Board; or

(5) resigned or been removed as an actuary within the past five years as a result of acts or omissions indicated in any adverse report on examination or as a result of failure to adhere to generally acceptable actuarial standards; and

E. has not failed to notify the commissioner of any action taken by any commissioner of any other state similar to that under item D.

Subp. 3. Appointed actuary. An appointed actuary is a qualified actuary who is appointed or retained by the board of directors to prepare the Statement of Actuarial Opinion required by this chapter. The company shall give the commissioner timely written notice

of the name and title of each person appointed or retained by the company as an appointed actuary and shall state in the notice that the person meets the requirements in subpart 2. In the case of a consulting actuary, the company shall include the name of the firm in the notice. Once notice is furnished, no further notice is required with respect to this person, provided that the company gives the commissioner timely written notice in the event the actuary ceases to be appointed or retained as an appointed actuary or to meet the requirements in subpart 2. If any person appointed or retained as an appointed actuary replaces a previously appointed actuary, the notice must so state and give the reasons for replacement.

Subp. 4. **Standards for asset adequacy analysis.** The asset adequacy analysis required by this chapter:

A. must conform to the Standards of Practice as adopted from time to time by the Actuarial Standards Board and on any additional standards under this chapter, which standards are to form the basis of the Statement of Actuarial Opinion in accordance with this chapter; and

B. must be based on methods of analysis as are deemed appropriate for such purposes by the Actuarial Standards Board.

Subp. 5. **Liabilities to be covered.**

A. Under authority of Minnesota Statutes, section 61A.25, subdivision 2a, the Statement of Actuarial Opinion applies to all in force business on the statement date, whether directly issued or assumed, regardless of when or where issued. For example, reserves of Exhibits 5, 6, and 7, and claim liabilities in Exhibit 8, Part 1, and equivalent items in the separate account statement or statements.

B. If the appointed actuary determines as the result of asset adequacy analysis that a reserve should be held in addition to the aggregate reserve held by the company and calculated in accordance with methods in Minnesota Statutes, section 61A.25, the company shall establish the additional reserve.

C. Additional reserves established under item B and deemed not necessary in subsequent years may be released. Any amounts released must be disclosed in the actuarial opinion for the applicable year. The release of reserves would not be deemed an adoption of a lower standard of valuation.

Statutory Authority: *MS s 45.023; 61A.25*

History: *37 SR 1455*

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