



ADMINISTRATIVE RULES OF MONTANA



6.6.6505 GENERAL REQUIREMENTS

- (1) As to the submission of Statement of Actuarial Opinion, the following requirements apply:
 - (a) there is to be included on or attached to page one of the annual statement for each year beginning with the year in which this regulation becomes effective 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 ARM 6.6.6508; and
 - (b) upon written request by the company, the commissioner may grant an extension of the date for submission of the statement of actuarial opinion.
- (2) 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 disability 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:
 - (i) violated any provision of, or any obligation imposed by, the insurance law or other law in the course of his or her dealings as a qualified actuary;
 - (ii) been found guilty of fraudulent or dishonest practices;
 - (iii) demonstrated his or her incompetency, lack of cooperation, or untrustworthiness to act as a qualified actuary;
 - (iv) submitted to the commissioner during the past five years, pursuant to these rules, an actuarial opinion or memorandum that the commissioner rejected because it did not meet the provisions of these rules including standards set by the Actuarial Standards Board; or
 - (v) 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 standard; and

- (e) has not failed to notify the commissioner of any action taken by any commissioner of any other state similar to that under ARM 6.6.6505(2)(d).
- (3) An "appointed actuary" is a qualified actuary who is appointed or retained to prepare the statement of actuarial opinion required by these rules, either directly by or by the authority of the board of directors through an executive officer of the company other than the qualified actuary. The company shall give the commissioner timely written notice of the name, title (and, in the case of a consulting actuary, the name of the firm) and manner of appointment or retention of each person appointed or retained by the company as an appointed actuary and shall state in such notice that the person meets the requirements set forth in ARM 6.6.6505(2). Once notice is furnished, no further notice is required with respect to this person, provided that the company shall give 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 set forth in ARM 6.6.6505(2). If any person appointed or retained as an appointed actuary replaces a previously appointed actuary, the notice shall so state and give the reasons for replacement.
- (4) The asset adequacy analysis required by these rules:
 - (a) shall conform to the Actuarial Standards of Practice as promulgated from time to time by the Actuarial Standards Board and on any additional standards under these rules, which standards are to form the basis of the statement of actuarial opinion in accordance with these rules; and
 - (b) shall be based on methods of analysis as are deemed appropriate for such purposes by the Actuarial Standards board.
- (5) Liabilities to be covered by the actuarial opinion are as follows:
 - (a) Under authority of 33-2-407(5) and (6), and 33-7-118(2), MCA, the statement of actuarial opinion shall apply to all in force business on the statement date, whether directly issued or assumed, regardless of when or where issued, e.g., reserves of Exhibits 8, 9, and 10, and claim liabilities in Exhibit 11, 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 set forth in 33-2-411, 33-2-412, and 33-2-417, MCA, the company shall establish such additional reserve.
 - (c) Additional reserves established under (5)(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 such reserves would not be deemed an adoption of a lower standard of valuation.

Authorizing statute(s): 33-1-313, 33-2-407, MCA

Implementing statute(s): 33-2-407, 33-2-408, 33-2-409, 33-2-410, 33-2-411, 33-2-412, 33-2-413, 33-2-414, 33-2-415, 33-2-416, 33-2-417, 33-7-118, 33-7-411, MCA

History: NEW, 1996 MAR p. 1371, Eff. 5/24/96; AMD, 2008 MAR p. 2622, Eff. 12/25/08; AMD, 2011 MAR p. 2623, Eff. 12/9/11; AMD, 2017 MAR p. 1888, Eff. 10/14/17.