Texas Department of Insurance
Financial, Financial Analysis, Mail Code 303-1A
333 Guadalupe St. • Austin, Texas 78701

ACTUARIAL DIVISION

The Actuarial Division of the Financial Program is responsible for solvency analysis functions that include the review and examination of reserves and other related actuarial items. Required actuarial filings related to these functions include the following:

Statement of Actuarial Opinion

The Statement of Actuarial Opinion is required to be filed with the annual statement by March 1st (April 1st for Stipulated Premium Companies) in accordance with the provisions of TIC §802.002. Domestic companies are required to file a paper copy along with the annual statement. Foreign companies are required to file an electronic copy with the NAIC. Guidance for completing the actuarial opinion is provided for the following company types:

*Life, Accident and Health (LA&H) Insurers**

Guidance for completing an actuarial opinion based on an asset adequacy analysis is found in the Actuarial Opinion and Memorandum Regulation (28 TAC §§3.1601-3.1608), specifically 28 TAC §3.1606. Signed reliance statements should be attached to the opinion if applicable.

- Note that for LA&H Insurers that file on the NAIC Health Blank, the Actuarial Opinion section of the NAIC Health Annual Statement Instructions should also be followed.
- Note that for LA&H Insurers that are exempted from performing asset adequacy analysis under 28 TAC §3.1608, the Actuarial Opinion section of either the NAIC Life Annual Statement Instructions or NAIC Health Annual Statement Instructions should be followed, depending on what type of statement is filed.

For insurers that write business that incorporates X-factors, guidance is given for an actuarial opinion involving the application of X-factors and supporting report in 28 TAC §3.4505.

** - includes Stipulated Premium Companies*

Property and Casualty (P&C) Insurers

Guidance is found in the Actuarial Opinion section of the NAIC P&C Annual Statement Instructions.

Fraternal Benefit Societies

Guidance for completing an actuarial opinion based on an asset adequacy analysis is found in the Actuarial Opinion and Memorandum Regulation, specifically 28 TAC §3.1606. Signed reliance statements should be attached to the opinion if applicable.

- Note that for Fraternal Benefit Societies that are exempted from performing asset adequacy analysis under 28 TAC §3.1608, the Actuarial Opinion section of the NAIC Fraternal Annual Statement Instructions should be followed.

For societies that write business that incorporates X-factors, guidance is given for an actuarial opinion involving the application of X-factors and supporting report in 28 TAC §3.4505.

Title Insurers

Guidance is found in the Actuarial Opinion section of the NAIC Title Annual Statement Instructions.

Health Maintenance Organizations (HMOs)

Guidance is found in the Actuarial Opinion section of the NAIC Health Annual Statement Instructions. Signed reliance statements should be attached to the opinion if applicable.

Actuarial Memorandum /Actuarial Report

An actuarial memorandum / actuarial report in support of the Statement of Actuarial Opinion should be prepared and retained by the Company. The memorandum / report must be made available to the Actuarial Division upon request (such as during a financial examination) or by May 1, whichever is earlier. After completion of a review by the Actuarial Division, the memorandum will be returned to the Company at the Company's request. Guidance for completing the actuarial memorandum / report is provided for the following company types:

Life, Accident and Health (LA&H) Insurers* and Fraternal Benefit Societies that are Subject to the Actuarial Opinion and Memorandum Regulation (AOMR)

Guidance for completing the actuarial memorandum is provided in the AOMR, specifically 28 TAC §3.1607. This is applicable to both domestic and foreign companies.

- Note that for LA&H Insurers that file on the NAIC Health Blank, the Actuarial Opinion section of the NAIC Health Annual Statement Instructions should also be followed. See specifically parts 1A and 1B. Commentary regarding asset adequacy analysis must be included in the memorandum unless the insurer is exempt from asset adequacy analysis pursuant to 28 TAC §3.1608.

** - includes Stipulated Premium Companies*

Property and Casualty (P&C) Insurers

Guidance for completing the actuarial report is provided in the NAIC P&C Annual Statement Instructions, Actuarial Opinion section. This is applicable to both domestic and foreign companies.

Health Maintenance Organizations (HMOs)

Guidance for completing the actuarial memorandum is provided in the NAIC Health Annual Statement Instructions, Actuarial Opinion section, parts 1A and 1B. This is applicable to both domestic and foreign HMOs.

Regulatory Asset Adequacy Issues Summary (RAAIS)/Actuarial Opinion Summary (AOS)
The RAAIS and AOS reports are required to be filed by March 15th (April 15th for Stipulated Premium Companies) directly to the Actuarial Division. Guidance for completing these reports is provided for the following company types:

Life, Accident and Health (LA&H) Insurers* and Fraternal Benefit Societies that are Subject to the Actuarial Opinion and Memorandum Regulation (AOMR)

Guidance for completing the Regulatory Asset Adequacy Issues Summary (RAAIS) is provided in the AOMR, specifically 28 TAC §3.1607(a)(5) and 28 TAC §3.1607(c). Please note that Companies that are exempted from performing asset adequacy analysis under 28 TAC §3.1608 do not have to file the RAAIS. This filing is required for domestic companies. A foreign company must have this document available for review upon request of the Commissioner. LA&H insurers that file on the NAIC Health Blank are still required to file a RAAIS unless exempt from asset adequacy analysis according to 28 TAC §3.1608.

** - includes Stipulated Premium Companies*

Property and Casualty (P&C) Insurers

Guidance for completing the Actuarial Opinion Summary (AOS) is provided in the NAIC P&C Annual Statement Instructions, supplemental filings section. This filing is required for domestic companies. Foreign companies should have this document available for review upon request of the Commissioner.

Send to: actuarialdivision@tdi.state.tx.us

or mail to: Actuarial Division MC 302-3A
Texas Department of Insurance
P. O. Box 149104 Phone:(512) 322-5067
Austin TX 78714-9104 Fax: (512) 322-5083

Notification of Appointed Actuary to Domiciliary Commissioner

The Company is required to notify the domiciliary commissioner upon the appointment of an appointed actuary or a change in the appointed actuary. Once the notice is furnished, no further notice is required unless the actuary ceases to be appointed or retained or ceases to meet the requirements of a qualified actuary. Guidance for completing the notification letter is provided for the following company types:

Life, Accident and Health (LA&H) Insurers* and Fraternal Benefit Societies that are Subject to the Actuarial Opinion and Memorandum Regulation (AOMR)

The requirement for filing the notification of appointment of actuary is found in the AOMR, specifically 28 TAC §3.1605(b). This filing is required for domestic companies. For foreign companies, this filing must be made available upon request of the Commissioner. In addition to the requirements of 28 TAC §3.1605(b), the notification letter should also include a statement that the appointed actuary meets all the requirements of an “appointed” actuary found in 28 TAC §3.1604(5) and of a “qualified” actuary found in 28 TAC §3.1604(9).

- Note that for LA&H Insurers that file on the NAIC Health Blank, the Actuarial Opinion section of the NAIC Health Annual Statement Instructions should also be followed. See specifically part 1.

** - includes Stipulated Premium Companies*

Property and Casualty (P&C) Insurers

The requirement for filing the notification of appointment of actuary is contained in the NAIC P&C Annual Statement Instructions, Actuarial Opinion section. As per these instructions, this filing is only required for domestic companies. Please note that there are actually two separate documents that are required:

- Notification of Appointment of Actuary Letter that is due within five (5) business days of the appointment, and
- Additional Notification for Replacement of Actuary that is due within ten (10) business days of the above Notification of Appointment Letter.

Please see the NAIC P&C Annual Statement Instructions for the specific guidance.

Health Maintenance Organizations (HMOs)

The requirement for filing the notification of appointment of actuary is contained in the NAIC Health Annual Statement Instructions, Actuarial Opinion section, part 1. As per these instructions, this filing is only required for domestic companies. Please note that there are actually two separate documents that are required:

- Notification of Appointment of Actuary Letter that is due within five (5) business days of the appointment, and
- Additional Notification for Replacement of Actuary that is due within ten (10) business days of the above Notification of Appointment Letter.

Please see the NAIC Health Annual Statement Instructions for the specific guidance.

Send to: actuarialdivision@tdi.state.tx.us

or mail to: Actuarial Division MC 302-3A
Texas Department of Insurance
P. O. Box 149104 Phone:(512) 322-5067
Austin TX 78714-9104 Fax: (512) 322-5083

Actuarial Opinion Exemptions – Property and Casualty Insurers

A property and casualty insurer who intends to file for an exemption from submitting an Actuarial Opinion must submit an exemption request to the domiciliary commissioner no later than December 1st of the calendar year for which the exemption is to be claimed. The Commissioner may deny the exemption prior to December 31st. A copy of the approved exemption must be filed with the Annual Statement in all jurisdictions in which the company is authorized. Exemptions may be granted for the reasons noted in Section 1B of the NAIC P&C Annual Statement Instructions.

Send request to:

actuarialdivision@tdi.state.tx.us

or mail to:

Actuarial Division MC 302-3A
Texas Department of Insurance
P.O. Box 149104 **Phone:** **(512) 322-5067**
Austin TX 78714-9104 **FAX:** **(512) 322-5083**

Reserve Destrengthening

Life, accident, and health insurers, including fraternal benefit societies and stipulated premium companies subject to TIC §§425.051-425.071 (also known as the Standard Valuation Law), must request prior approval to adopt any lower standard of valuation of reserves as required by TIC §425.067(c).

Send request to:

actuarialdivision@tdi.state.tx.us

or mail to:

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Texas Department of Insurance
P.O. Box 149104 **Phone:** **(512) 322-5067**
Austin TX 78714-9104 **FAX:** **(512) 322-5083**

Actuarial Division (continued)

Reserve Valuation Reports (RVRs)

If your company redomesticated to Texas: Reserve Valuation Reports (RVRs) are required of all domestic legal reserve life companies which have redomesticated into Texas from some other jurisdiction during the preceding calendar year.

Send to:

actuarialdivision@tdi.state.tx.us

or mail to:

Actuarial Division MC 302-3A		
Texas Department of Insurance		
P.O. Box 149104	**Phone:**	**(512) 322-5067**
Austin TX 78714-9104	**FAX:**	**(512) 322-5083**

If your company is currently doing business as a domestic legal reserve life insurance company or stipulated premium company, an RVR must be supplied upon request from TDI's Actuarial Division.

Certificates of Valuation (Texas Domestic Life InsuranceCompanies Only)

Send request to:

actuarialdivision@tdi.state.tx.us

or mail to:

Actuarial Division MC 302-3A		
Texas Department of Insurance		
P.O. Box 149104	**Phone:**	**(512) 322-5067**
Austin TX 78714-9104	**FAX:**	**(512) 322-5083**

Please include the following with your request:

- Texas Company Name
- Year of certification
- Number of copies needed

We will send a bill along with your completed certificates. They are $11 for each certificate requested.

Approval Requests Relating To 28 TAC §§3.7001 - 3.7009

The Texas Administrative Code allows for approval of other morbidity or mortality tables in valuing certain types of accident and health reserves.

Send requests to:

actuarialdivision@tdi.state.tx.us

or mail to:

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Texas Department of Insurance
P.O. Box 149104 **Phone: (512) 322-5067**
Austin TX 78714-9104 **FAX: (512) 322-5083**

For more information or questions, contact us at:

actuarialdivision@tdi.state.tx.us