

**R590. Insurance, Administration.**

**R590-117. Valuation of Liabilities.**

**R590-117-1. Authority.**

This rule is adopted pursuant to Subsection 31A-2-201(3), which authorizes rules to implement the Insurance Code, and Section 31A-17-402, which requires the commissioner to adopt a rule specifying which liabilities shall be reported by insurers and the methods for their evaluation.

**R590-117-2. Purpose and Scope.**

A. The purpose of this rule is to comply with the statutory requirement of Section 31A-17-402, to adopt a rule for the valuation of insurer liabilities. The values established under this rule shall be used to determine compliance with other financial requirements of the Insurance Code.

B. This rule shall apply to all persons transacting insurance under the Utah Insurance Code.

**R590-117-3. Definitions.**

In addition to the definitions of Section 31A-1-301, the following definition shall apply for the purposes of this rule:

A. "Liabilities" shall include reserves for payment of future obligations.

**R590-117-4. Rule.**

A. Liabilities to be reported.

1. All liabilities specifically provided for or contemplated by the annual statement blank or other reporting form prescribed by the commissioner under Section 31A-2-202.

2. Any other liabilities known to the reporting insurer, except liabilities specifically exempted or precluded by the reporting form.

B. Evaluation of liabilities. The values of reported liabilities shall be computed in accordance with the first applicable method from the following list, in ascending order:

1. in accordance with a specific provision of the Utah Insurance Code, Title 31A; or

2. in accordance with a specific Insurance Department rule, noted as superseding this general rule, or, in the absence thereof,

3. in accordance with another provision of the Utah Code; or

4. in accordance with procedures adopted or recommended by the National Association of Insurance Commissioners; or

5. in accordance with generally accepted accounting principles; or

6. in accordance with values as would be established by a prudent person and are accepted by the commissioner.

**R590-117-5. Separability.**

If any provision of this rule or its application to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of such provision to other persons or circumstances will not be affected.

**KEY: insurance companies, rules and procedures**

**Date of Enactment or Last Substantive Amendment: 1987**

**Notice of Continuation: January 26, 2017**

**Authorizing, and Implemented or Interpreted Law: 31A-17-402**