

**Sec. 38a-459-19. Reserve valuation**

(a) Reserves for contracts funded by a market value separate account supporting contracts other than index contracts shall be an amount equal to the following:

(1) The total reserve required to be maintained on the valuation date pursuant to section 38a-459-14 of the Regulations of Connecticut State Agencies;

(2) Plus the excess, if any, of the market value of separate account assets (to the extent that the market value of the assets determines the contract holder's benefits, i.e., to the extent the assets are beneficially "client" assets) over the amount determined in accordance with subsection (a)(1) of this section;

(3) Plus any additional amount determined by the valuation actuary as necessary to make adequate provision for all of the contract liabilities;

(4) Plus any additional amount determined as necessary by the insurance commissioner due to the nature of the benefits.

(b) Reserves for index contracts funded by a market value separate account shall be an amount equal to the following:

(1) The total reserve required to be maintained on the valuation date pursuant to section 38a-459-15 of the Regulations of Connecticut State Agencies;

(2) Plus the excess, if any, of the market value of separate account assets (to the extent that the market value of the assets determines the contract holder's benefits, i.e., to the extent the assets are beneficially "client" assets) over the amount determined in accordance with subsection (b)(1) of this section;

(3) Plus any additional amounts determined by the valuation actuary as necessary to make adequate provision for all of the contract liabilities;

(4) Plus any additional amount determined as necessary by the insurance commissioner due to the nature of the benefits.

(c) Reserves for book value contracts shall be determined as if the contracts were held in the general account.

(d) The amount of any reserves required by subsections (a)(3) and (a)(4) of this section and subsections (b)(3) and (b)(4) of this section may be established by either:

(1) Allocating sufficient assets to the separate account or a supplemental account to satisfy the requirement; or

(2) Setting up the additional reserves in the general account.

(Adopted effective June 1, 2002)