



Special Bulletin

Washington Commissioner Decides to Adopt 1999 XXX Regulation with "X" Factor

Industry Leaders

Lobby Commissioner

In an attempt to explain the problem caused by not adopting Regulation XXX with the "X" Factor some Industry Leaders talked with **Deborah Senn**, Washington State Insurance

Commissioner. The Industry Leader were concerned with how their companies would operate under XXX without an "X" factor and how it would effect not only them but all companies operating in Washington. After the Commissioner's meeting with the Industry Leaders it was

decided to adopt the 1999 XXX Regulation with an "X" Factor as 25 other states are now planning. The State of Washington is hoping to complete adoption of XXX by mid February 2000 but their plans are to make it retroactive to January 1, 2000.

Van Elsen Consulting

Van Elsen Consulting is an actuarial consulting firm. **James N. Van Elsen, FSA, MAAA** is the firm's owner and is responsible for the work completed. We specialize in product development and in serving the needs of smaller life insurance companies.

As you consider your product development needs in the future, consider the following:

What did your consulting firm do to help solve the impending disaster in the 1999 term market?

Van Elsen Consulting was the only consulting firm actively working to solve the XXX crisis.

How did your consulting firm advise you to prepare for the potential 1999 term crisis?

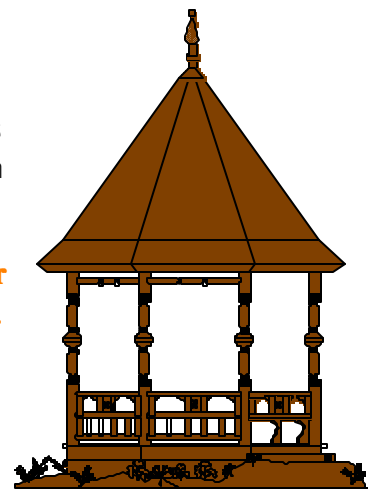
Van Elsen Consulting advised its clients to be ready with products on January 1, 1999 priced for XXX. To do otherwise is to risk being out of the term market completely in 1999.

What did your consulting firm advise you to do if XXX is effective on January 1, 1999?

Van Elsen Consulting advised its clients to reduce its guarantees to 5 years. Clients were specifically advised not to ignore the effect of Wisconsin. It is not sufficient to not market products in Wisconsin. To do so would be to risk the long-term solvency of the company.

As you consider your actuarial consulting needs in the future, consider the firm that works hard to reduce the cost of regulation for its clients.

Call Van Elsen Consulting!!!



XXX Update

States Likely to Adopt XXX Effective 1/1/2000 (26 States)

- | | | | |
|------------|------------|----------------|------------|
| Arizona | Kansas | New York | Texas |
| Arkansas | Maine | North Carolina | Utah |
| California | Minnesota | North Dakota | Vermont |
| Colorado | Montana | Ohio | Virginia |
| Illinois | Nebraska | Oklahoma | Washington |
| Indiana | Nevada | Pennsylvania | Wisconsin |
| Iowa | New Mexico | | |

States Under Active Review of XXX (12 States)

- | | | | |
|-------------|-----------|-------------|---------------|
| Alabama | Louisiana | Mississippi | Oregon |
| Connecticut | Maryland | Missouri | Rhode Island |
| Delaware | Michigan | New Jersey | West Virginia |

States Without a Current Position on XXX (12 States & DC)

- | | | | |
|----------------------|----------|----------------|--------------|
| Alaska | Hawaii | Massachusetts | South Dakota |
| District of Columbia | Idaho | New Hampshire | Tennessee |
| Florida | Kentucky | South Carolina | Wyoming |
| Georgia | | | |

