



Kansas Insurance Department

Sandy Praeger

COMMISSIONER OF INSURANCE

Bulletin 2007-01

TO: All Insurance Companies Licensed to Write Business in Kansas

FROM: Sandy Praeger
Commissioner of Insurance

DATE: March 14, 2007

RE: Revocation of K.A.R. 40-1-51 and the Adoption of the Most Recent Securities Valuation Office Manual

This Department is in the process of revoking K.A.R. 40-1-51, which adopts *the Purposes and Procedures Manual of the NAIC Securities Valuation Office* ("SVO Manual"), inasmuch as the Commissioner has authority to adopt this manual without adopting a rule and regulation.

Kansas Statutes Annotated ("K.S.A.") 40-229 provides the Commissioner of Insurance with full discretion in determining the method of calculating values of all bonds or other evidences of debt having a fixed term and rate held by any insurance company or fraternal benefit society authorized to do business in this state.

In addition, K.S.A. 40-225 provides that the financial statement filed with the Commissioner of Insurance be made upon a form and be prepared in accordance with the instructions and accounting practices and procedures prescribed and adopted from time to time by the NAIC (i.e., National Association of Insurance Commissioners). Such accounting practices and procedures manual further prescribes that the SVO Manual be utilized in determining the valuation for certain securities in the preparation of statutory financial statements.

Based on the above-referenced laws, the Commissioner hereby adopts the most recent SVO Manual as the standard for determining the method of calculating values of all bonds or other evidences of debt having a fixed term and rate and including other investments held by any insurance company or fraternal benefit society authorized to do business in this state. Companies are advised to use the most recent amendments of the SVO Manual as they become available.

If you have any questions regarding this Bulletin, please contact Kenneth Abitz at the Kansas Insurance Department, 420 SW 9th Street, Topeka, Kansas, 66612, via phone at (785) 296-3071, or via email at kabitz@ksinsurance.org.