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191—97.5(508) Indexed annuity product reserve calculation methodology. Insurance companies account for indexed annuity product reserves in accordance with Iowa Code section 508.11 and with the applicable actuarial guidelines and statutory accounting principles. Based on the current guidelines, this chapter provides insurance companies with the ability to make the following adjustment to their indexed annuity product reserves:

- **97.5(1)** Insurance companies determine indexed annuity product reserve calculations based on the Actuarial Guideline XXXV reserve, assuming the market value of the eligible derivative assets associated with the current interest crediting period is zero, regardless of the observable market for such eligible derivative assets.
- **97.5(2)** At the conclusion of each interest crediting period, interest credited to an indexed annuity product is reflected in the reserve as realized, based on the actual performance of the relevant external index or external indices.

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