**Section 2004.10 Application, Effective Dates and Incorporations by Reference**

a) This Part applies to all companies transacting in this State the kinds of business enumerated in clause (b) of Class 1 and clause (a) of Class 2 of Section 4 of the Code, and it applies to all accident and health policies for which reserve standards are prescribed under Section 353a of the Code. The original standards created in this Part applied through 2001. From 2002 through 2016, the applicable standards were those prescribed by the National Association of Insurance Commissioners (NAIC) in the Accounting Practices and Procedures Manual (APPM). Pursuant to Section 223 of the Code, starting in 2017, the applicable standards are those prescribed by the NAIC in the Valuation Manual (VM).

b) Incorporations by Reference

1) National Association of Insurance Commissioners, 1100 Walnut Street, Suite 1500, Kansas City MO 64106-2277

A) Policies issued and claims incurred on or after January 1, 2002 and before November 29, 2006 are subject to the standards prescribed in the March 2001 APPM.

B) Policies issued and claims incurred on or after November 29, 2006 and before July 25, 2008 are subject to the standards prescribed in the March 2006 APPM.

C) Policies issued and claims incurred on or after July 25, 2008 and before December 31, 2015 are subject to the standards prescribed in the March 2008 APPM.

D) Policies issued and claims incurred on or after December 31, 2015 and before January 1, 2017 are subject to the standards prescribed in the March 2016 APPM.

E) Policies issued and claims incurred on or after January 1, 2017 are subject to the standards prescribed in the January 1, 2019 edition of the VM as directed in Section 223 of the Code.

2) The incorporations by reference stated in subsection (b)(1) include no later amendments or editions.

c) For claims incurred on or after January 1, 2002 and before January 1, 2017, the insurer may elect to calculate reserves for all open claims using a more recent standard required by subsection (b), but once a more recent standard is elected, all future valuations must be on that basis.

(Source: Amended at 44 Ill. Reg. 2572, effective January 21, 2020)