

## Part I

### Section 807.--Rules for Certain Reserves

#### Rev. Rul. 2015-02

For purposes of § 807(d)(4) of the Internal Revenue Code, for taxable years beginning after December 31, 2013, this ruling supplements the schedules of prevailing state assumed interest rates set forth in Rev. Rul. 92-19, 1992-1 C.B. 227. This information is to be used by insurance companies in computing their reserves for (1) life insurance and supplementary total and permanent disability benefits, (2) individual annuities and pure endowments, and (3) group annuities and pure endowments. As § 807(d)(2)(B) requires that the interest rate used to compute these reserves be the greater of (1) the applicable federal interest rate, or (2) the prevailing state assumed interest rate, the table of applicable federal interest rates in Rev. Rul. 92-19 is also supplemented.

Following are supplements to schedules A, B, C, and D to Part III of Rev. Rul. 92-19, providing prevailing state assumed interest rates for insurance products with different features issued in 2014 and 2015, and a supplement to the table in Part IV of Rev. Rul. 92-19, providing the applicable federal interest rates under § 807(d) for 2014 and 2015. This ruling does not supplement Parts I and II of Rev. Rul. 92-19.

This is the twenty-third supplement to the interest rates provided in Rev. Rul. 92-19. Earlier supplements were published in Rev. Rul. 93-58, 1993-2 C.B. 241 (interest rates for insurance products issued in 1992 and 1993); Rev. Rul. 94-11, 1994-1 C.B. 196 (1993 and 1994); Rev. Rul. 95-4, 1995-1 C.B. 141 (1994 and 1995); Rev. Rul. 96-2, 1996-1 C.B. 141 (1995 and 1996); Rev. Rul. 97-2, 1997-1 C.B. 134 (1996 and 1997); Rev. Rul. 98-2, 1998-1 C.B. 259 (1997 and 1998); Rev. Rul. 99-10, 1999-1 C.B. 671 (1998 and 1999); Rev. Rul. 2000-17, 2000-1 C.B. 842 (1999 and 2000); Rev. Rul. 2001-11, 2001-1 C.B. 780 (2000 and 2001); Rev. Rul. 2002-12, 2002-1 C.B. 624 (2001 and 2002); Rev. Rul. 2003-24, 2003-1 C.B. 557 (2002 and 2003); Rev. Rul. 2004-14, 2004-1 C.B. 511 (2003 and 2004); Rev. Rul. 2005-29, 2005-1 C.B. 1080 (2004 and 2005); Rev. Rul. 2006-25, 2006-1 C.B. 882 (2005 and 2006); Rev. Rul. 2007-10, 2007-1 C.B. 660 (2006 and 2007); Rev. Rul. 2008-19, 2008-1 C.B. 669 (2007 and 2008); Rev. Rul. 2009-3, 2009-5 I.R.B. 382 (2008 and 2009); Rev. Rul. 2010-7, 2010-8 I.R.B. 417 (2009 and 2010); Rev. Rul. 2011-23, 2011-43 I.R.B. 585 (2010 and 2011); Rev. Rul. 2012-6, 2012-6 I.R.B. 349 (2011 and 2012); Rev. Rul. 2013-4, 2013-9 I.R.B. 520 (2012 and 2013); and Rev. Rul. 2014-4, 2014-5 I.R.B. 449 (2013 and 2014).

**Part III. Prevailing State Assumed Interest Rates -- Products Issued in Years After 1982.\***

**Schedule A**

STATUTORY VALUATION INTEREST RATES  
BASED ON THE 1980 AMENDMENTS TO THE  
NAIC STANDARD VALUATION LAW

A. Life insurance valuation:

<u>Guarantee Duration (years)</u>	<u>Calendar Year of Issue</u>
	<u>2015</u>
10 or fewer	3.75**
More than 10 but not more than 20	3.75**
More than 20	3.50**

Source: Rates calculated from the monthly averages, ending June 30, 2014, of Moody's Composite Yield on Seasoned Corporate Bonds.

\*The terms used in the schedules in this ruling and in Part III of Rev. Rul. 92-19 are those used in the Standard Valuation Law; the terms are defined in Rev. Rul. 92-19.

\*\*As these rates exceed the applicable federal interest rate for 2015 of 1.68 percent, the valuation interest rate to be used for this product under § 807 is the applicable rate specified in this table.

**Part III, Schedule B**

**STATUTORY VALUATION INTEREST RATES  
BASED ON THE 1980 AMENDMENTS TO THE  
NAIC STANDARD VALUATION LAW**

B. Single premium immediate annuities and annuity benefits involving life contingencies arising from other annuities with cash settlement options and from guaranteed interest contracts with cash settlement options:

<u>Calendar Year of Issue</u>	<u>Valuation Interest Rate</u>
2014	4.50*

Source: Rates calculated from the monthly averages, ending June 30, 2014, of Moody's Composite Yield on Seasoned Corporate Bonds.

\*As this prevailing state assumed interest rate exceeds the applicable federal interest rate for 2014 of 1.79 percent, the valuation interest rate of 4.50 percent is to be used for this product under § 807.

**Part III, Schedule C24 - 2014**

**STATUTORY VALUATION INTEREST RATES  
BASED ON NAIC STANDARD VALUATION LAW  
FOR 2014 CALENDAR YEAR BUSINESS  
GOVERNED BY THE 1980 AMENDMENTS**

C. Valuation interest rates for other annuities and guaranteed interest contracts that are valued on an issue year basis:

<u>Cash Settlement Options?</u>	<u>Future Interest Guarantee?</u>	<u>Guarantee Duration (years)</u>	<u>Valuation Interest Rate For Plan Type</u>		
			<u>A</u>	<u>B</u>	<u>C</u>
Yes	Yes	5 or fewer	4.50*	4.00*	3.75*
		More than 5, but not more than 10	4.25*	4.00*	3.75*
		More than 10, but not more than 20	4.00*	3.75*	3.75*
		More than 20	3.75*	3.50*	3.50*
Yes	No	5 or fewer	4.50*	4.00*	4.00*
		More than 5, but not more than 10	4.50*	4.00*	4.00*
		More than 10, but not more than 20	4.00*	3.75*	3.75*
		More than 20	3.75*	3.50*	3.50*
No	Yes or No	5 or fewer	4.50*		
		More than 5, but not more than 10	4.25*	NOT APPLICABLE	
		More than 10, but not more than 20	4.00*		
		More than 20	3.75*		

Source: Rates calculated from the monthly averages, ending June 30, 2014, of Moody's Composite Yield on Seasoned Corporate Bonds.

\*As these rates exceed the applicable federal interest rate for 2014 of 1.79 percent, the valuation interest rate to be used for this product under § 807 is the applicable rate specified in the above table.

**Part III, Schedule D24 -- 2014**

**STATUTORY VALUATION INTEREST RATES  
BASED ON NAIC STANDARD VALUATION LAW  
FOR 2014 CALENDAR YEAR BUSINESS  
GOVERNED BY THE 1980 AMENDMENTS**

D. Valuation interest rates for other annuities and guaranteed interest contracts that are contracts with cash settlement options and that are valued on a change in fund basis:

<u>Cash Settlement Options?</u>	<u>Future Interest Guarantee?</u>	<u>Guarantee Duration (years)</u>	<u>Valuation Interest Rate For Plan Type</u>		
			<u>A</u>	<u>B</u>	<u>C</u>
Yes	Yes	5 or fewer	4.75*	4.50*	4.00*
		More than 5, but not more than 10	4.50*	4.50*	4.00*
		More than 10, but not more than 20	4.50*	4.25*	3.75*
		More than 20	4.00*	4.00*	3.75*
Yes	No	5 or fewer	4.75*	4.50*	4.00*
		More than 5, but not more than 10	4.75*	4.50*	4.00*
		More than 10, but not more than 20	4.50*	4.50*	4.00*
		More than 20	4.00*	4.00*	3.75*

Source: Rates calculated from the monthly averages, ending June 30, 2014, of Moody's Composite Yield on Seasoned Corporate Bonds.

\* As these rates exceed the applicable federal interest rate for 2014 of 1.79 percent, the valuation interest rate to be used for this product under § 807 is the applicable rate specified in the above table.

**Part IV. Applicable Federal Interest Rates.**

TABLE OF  
APPLICABLE FEDERAL INTEREST RATES  
FOR PURPOSES OF § 807

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<u>Year</u>	<u>Interest Rate</u>
2014	1.79
2015	1.68

Sources: Rev. Rul. 2004-106, 2004-2 C.B. 893, for the 2005 rate; Rev. Rul. 2005-77, 2005-2 C.B. 1071, for the 2006 rate; Rev. Rul. 2006-61, 2006-2 C.B. 1028 for the 2007 rate; Rev. Rul. 2007-70, 2007-2 C.B. 1158 for the 2008 rate; Rev. Rul. 2008-53, 2008-2 C.B. 1231 for the 2009 rate; Rev. Rul. 2009-38, 2009-49 I.R.B. 736, for the 2010 rate; Rev. Rul. 2010-29, 2010-50 I.R.B. 818 for the 2011 rate; Rev. Rul. 2011-31, 2011-49 I.R.B. 829 for the 2012 rate; Rev. Rul. 2012-31, 2012-49 I.R.B. 636 for the 2013 rate; Rev. Rul. 2013-26, 2013-50 I.R.B. 628 for the 2014 rate; and Rev. Rul. 2014-31, 2014-50 I.R.B. 935 for the 2015 rate.

**EFFECT ON OTHER REVENUE RULINGS**

Rev. Rul. 92-19 is supplemented by the addition to Part III of that ruling of prevailing state assumed interest rates under § 807 for certain insurance products issued in 2014 and 2015 and is further supplemented by an addition to the table in Part IV of Rev. Rul. 92-19 listing applicable federal interest rates. Parts I and II of Rev. Rul. 92-19 are not affected by this ruling.

**DRAFTING INFORMATION**

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