**Life Actuarial (A) Task Force/ Health Actuarial (B) Task Force**

**Amendment Proposal Form**

1. Identify yourself, your affiliation and a very brief description (title) of the issue.

Staff of Office of Principle-Based Reserving, California Department of Insurance – Specify date associated with 2008 VBT Table

1. Identify the document, including the date if the document is “released for comment,” and the location in the document where the amendment is proposed:

Valuation Manual (January 1, 2019 edition), VM-20 Section 9.C.3.g

1. Show what changes are needed by providing a red-line version of the original verbiage with deletions and identify the verbiage to be deleted, inserted or changed by providing a red-line (turn on “track changes” in Word®) version of the verbiage. (You may do this through an attachment.)

See attached Appendix. This change is for clarification as such is **non-substantive**.

1. State the reason for the proposed amendment? (You may do this through an attachment.)

See attached Appendix.

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NAIC Staff Comments:

|  |  |  |  |
| --- | --- | --- | --- |
| **Dates:** Received | Reviewed by Staff | Distributed | Considered |
|  2/27/19 |  |  |  |
| **Notes:** APF 2019-21 (CA APF-DD rev) |

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# Appendix

#### ISSUE:

#### VM-20 specifies the date of the 2015 VBT Table but not the date of the 2008 VBT Table.

#### SECTION:

#### VM-20 Section 9.C.3.g

#### REDLINE:

 g. Mortality improvement shall not be incorporated beyond the valuation date. However, historical mortality improvement from the date of the industry basic table (e.g., January 1, 2008 for the 2008 VBT, and July 1, 2015, for the 2015 VBT) to the valuation date may be incorporated using the improvement factors for the applicable industry basic table as determined by the SOA and published on the SOA website, [*https://www.soa.org/research/topics/indiv-val-exp-study-list/*](https://www.soa.org/research/topics/indiv-val-exp-study-list/) (Mortality Improvement Rates for AG-38 for Year-End YYYY).

 **Guidance Note:** The improvement factors for the industry basic table will be determined by the SOA. YYYY is the calendar year of valuation.

#### REASONING:

#### The differing dates for the different tables warrant being spelled out, to help companies avoid mistakes. Both dates have been confirmed by the SOA. In particular, the 2008 VBT report (<https://www.soa.org/Files/Research/Exp-Study/research-2008-vbt-report.pdf>) states at the top of page 15, “The resulting mortality tables were then projected forward to the beginning of year 2008.”