**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.

This APF was jointly prepared by the Office of Principle-Based Reserving, California Department of Insurance, and NAIC Support Staff.

This APF addresses recommendation #14 from VAWG’s 10/24/2018 memo regarding the PBR Recommendations and Referrals to LATF.

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-31 Section 3.C.3.i.

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.

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 |
| 1/30/19 |  |  |  |
| **Notes:** VM APF 2019-08 (CA OPBR/NAIC PBR) | | | |

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# Appendix

#### ISSUE:

#### At year end 2017, several companies had mistakes in the start and/or end dates of their mortality improvement calculations. Also, several companies utilized the wrong annual improvement percentages for mortality improvement for the industry tables.

#### SECTION:

#### VM-31 Section 3.C.3.i

#### REDLINE:

i. Adjustments for Mortality Improvement – Description of and rationale for any adjustments to the mortality assumptions for mortality improvement up to the valuation date. Such description shall include the assumed start and end dates of the improvements and a table of the annual improvement percentage(s) used, separately for company experience and the industry basic table(s), along with a sample calculation of the adjustment (e.g. for a male preferred nonsmoker age 45).

#### REASONING:

#### Completeness of information.