**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.

The APF addresses recommendation #22 from VAWG’s 10/24/18 memo regarding PBR Recommendations and Referrals to LATF.

2. 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.6.i

3. 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.

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

See attached Appendix.

NAIC Staff Comments:

|  |  |  |  |
| --- | --- | --- | --- |
| **Dates:** Received | Reviewed by Staff | Distributed | Considered |
| 1/30/19 |  |  |  |
| **Notes:** VM APF 2019-09 (CA OPBR/NAIC PBR) | | | |

W:\National Meetings\2015\...\TF\LHA\

#### Appendix

#### ISSUE:

2017 VM-31 reports provided, in some cases, incomplete information about NAER rates, and/or not enough information to explain unusual patterns of NAER rates

#### SECTION:

VM-31 Section 3.C.6.i

#### REDLINE:

i. NAER – For each model segment’s deterministic reserve: If the gross premium valuation method outlined in VM-20 Section 4.A was used, a listing or graph of the path of calculated NAER for all years of the projection and an explanation of any abnormally high or low NAER values or unusual patterns over time.

#### REASONING:

Enable regulators to better understand the earned rates.