**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 – Clarify anticipated mortality requirement

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, 2018 edition), with NAIC Adoptions through August 8, 2017, VM-20 Section 9.C.7.b

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 |
|  |  |  |  |
| **Notes: VM APF 2018-37 (CA APF BC)** |

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# Appendix

#### ISSUE:

#### Clarifying the justification needed regarding anticipated mortality

#### SECTION:

#### VM-20 Section 9.C.7.b

#### REDLINE:

#### VM-20 Section 9.C.7.b

b. The resulting anticipated experience assumptions must be no lower than the mortality rates that are actually expected to emerge and that the company can justify through an analysis. The company must include this analysis in its PBR Actuarial Report. Mortality rates actually expected to emerge are permitted to reflect expected future mortality improvement.

#### REASONING:

Provide greater clarity.