

## NAIC STUDY OF VA RESERVE AND CAPITAL STANDARDS

### QUANTITATIVE IMPACT STUDY II

#### NOTIFICATION TO ALL REGULATORS AND INTERESTED PARTIES

January 24, 2018

**RE: Corrections to Oliver Wyman’s recommendations, exposed on 12/1/2017**

To Variable Annuities Issues (E) Working Group, interested regulators, and interested parties,

Oliver Wyman has received requests for clarification regarding several inadvertent errors or omissions made in the 12/1/2017 exposure drafts outlining our recommended revisions to Actuarial Guideline XLIII (“AG 43”) and C3 Phase II.

To avoid version control issues on the exposed documents, Oliver Wyman does not intend to re-publish the redlined AG 43 and C3 Phase II documents until the end of the comment period. Instead, this document shall provide a record of these errata and clarifications, as well as the corrections thereof. An email communication will also be sent to members of the VAIWG, interested regulators, and interested parties should additional items be identified and included in this document.

#	Date published	Document affected	Description of correction
1	January 24, 2017	12/1/2017 presentation	On page 27, in the Recommendations box, the end of the last bullet should read “... <u>additional constraint that borrowing cost in a given time period may not be lower than the general account reinvestment rate</u> ”. The underlined text was previously written as “general account earned rate”.
2	January 24, 2017	Redlined AG 43	In the last paragraph of Section A1.4)D), the end of the first sentence should read “... <u>and that reflects the company’s cost of borrowing where applicable, provided that the assumed cost of borrowing is not lower than the rate at which positive cash flows are reinvested in the same time period</u> ”. The underlined text was previously omitted from the redlined AG 43 document.