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Non-Variable Annuity PBR Update to LATF's VM-22 Subgroup

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ARWG: History

- Developed a Floor Reserve approach using CARVM- like methods (previously presented to LATF)

Refer to Life Actuarial (A) Task Force November 17-18, 2015, material

http://naic.org/meetings1511/committees_a_latf_2015_fall_nm_materials.pdf?1468364552110

- Pursued the Representative Scenarios Method (RSM) as the Modeled Reserve for VM-22 (2013-2015)
 - The Academy LPC agreed to abandon the RSM for use in VM-22 in November 2015 due to lack of support for the method
 - The ARWG currently has no plans to use RSM going forward



ARWG: New Direction

- Consistency for all annuities
 - Modeled Reserve consistent with VM-21 (i.e., Conditional Tail Expectation based on the greatest present value of accumulated deficiencies)
 - Must take into account the Variable Annuities Issues Working Group improvement items
- Evaluate previously proposed Floor Reserve approaches
 - ARWG previously developed approach
 - Simplified approach

Refer to Life Actuarial (A) Task Force November 17-18, 2015, material

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- Incorporate a Modeled Reserve Exclusion Test



ARWG: Reformation

- Regrouped the ARWG to support the new direction of VM-22
- Solicited new volunteers
- Divided the work group into two sections (focus areas)
 - Floor Reserve/Exclusion Test Section
 - Modeled Reserve Section

